

A Showcase of a Teacher's Talents:  
An Educator's Portfolio

An Honors Thesis (HONRS 499)

by

Julie Christine Beery

Dr. Rosanne J. Marek

A handwritten signature in cursive script, reading "Rosanne J. Marek". The signature is written in dark ink and is positioned below the printed name.

Ball State University  
Muncie, Indiana

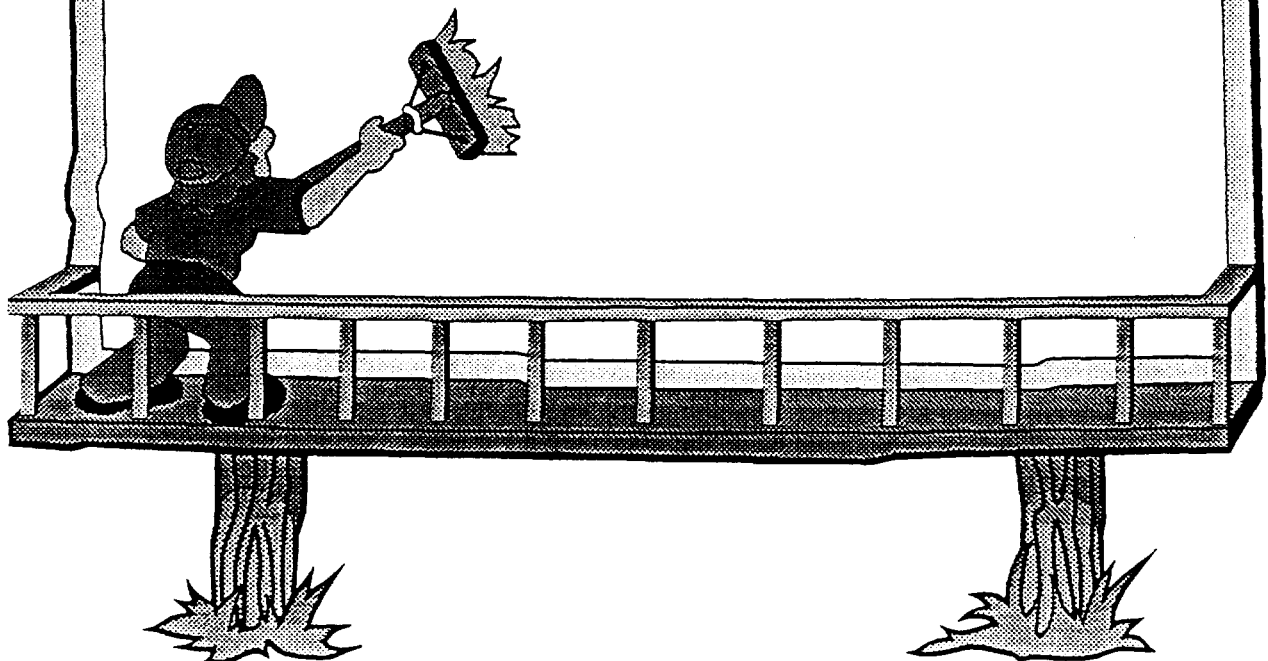
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## A Showcase of a Teacher's Talents: An Educator's Portfolio

An educator's portfolio is a collection of materials which best summarizes and showcases his/her unique talents, interests, and abilities. I hope that the contents of my portfolio will provide you with a clear understanding of my experiences, philosophy of education, and my methods of instruction; it can also be seen as a beginning of my lifelong commitment to personal and professional growth. The learning experiences that I have developed demonstrate my creativity, organizational and planning ability, firm grasp of content knowledge, and my enthusiasm and ability to relate my content to others and engage them in the learning process. My desires to stimulate my students' abilities to acquire knowledge, think independently and critically, apply content knowledge, develop and support their opinions articulately, engage in ethical reflection, self-evaluation and inquiry, develop an empathetic understanding of others, as well as express their creativity are evident in the methods I utilize throughout the activities that follow.

Enjoy your exploration!



# **Table of Contents**

- **Resume**
- **Philosophy of Education**
- **Resource Unit of Activities for Middle and Junior High School Students: "You as a Consumer"**
- **Unit Plan for Senior Psychology Students: "Personality and Individuality"**
- **Interdisciplinary Unit for Junior High School Students: "Survival"**
- **Field Trip Report**
- **Research and Writing Sample: "Vouchers: A Threat to Democratic Education"**
- **Observational Evaluations and Corresponding Lesson Plans and Materials**

# Julie Christine Beery

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## Education

B.S., Ball State University's Honors College, Muncie, IN  
Graduated Summa Cum Laude, (3.9/4.0 cumulative GPA), December 1995  
Major: Secondary Social Studies Education  
Primary area: psychology  
Supporting areas: sociology, economics, and U.S. History  
Minor: Foundations of Business

## Professional Experience

### **Supplemental Instruction Leader**

*Ball State University's Learning Center, Muncie, IN, Spring, 1995*

- Developed and taught lessons for SOC 100 with emphasis on active learning and study skill development for use with students desiring more individualized assistance
- Created computer generated activity sheets for use with groups of 15-20 students

### **Tutor**

*Ball State University's Learning Center, Muncie, IN, Summer and Fall 1995*

- Developed and taught lessons with emphasis on study skill development for PYSCH 100, PYSCH 241 ECON 116, ECON 201, ECON 202, ECON 221, SOC 100, and EDPSYCH 250
- Assisted clients individually and in small groups with comprehension, retention, writing skills, test anxiety, test taking strategies, and study skills

### **Substitute Teacher**

*Smith-Green Community Schools, Churubusco, IN, during college vacation breaks since 1993*

- Instructed and supervised students enrolled in special education, junior high, and high school classes
- Critiqued and graded speeches, led discussions requiring critical thinking and evaluation
- Recorded class activities and questions raised

### **Student Assistant**

*Dean's Office, Honors College, Ball State University, Muncie, IN, Fall 1992-Fall 1993*

- Coordinated teacher evaluations and incoming freshmen records
- Welcomed and assisted visitors, prepared documents, answered the phone

### **Room Leader**

*Churubusco Child Care Center, Churubusco, IN, Summer 1993*

- Planned and supervised activities each day for the room of 2 year olds
- Created weekly thematic units and corresponding activities and art projects
- Assisted and supervised the 3 year olds, 5 & 6 year olds, and 10 year olds

### **Team Leader**

*YWCA, Summer Daily Activities Program, Elkhart, IN, Summer 1992*

- Developed thematic weekly units and corresponding projects, lessons, and activities each day for the team of 9 & 10 year olds
- Created and implemented a positive discipline management plan
- Initiated, arranged, and supervised field trips, a talent show, and numerous creative group activities

## **Professional Experience (cont'd)**

### **Team Assistant**

*YWCA, Elkhart, IN, Summer 1991*

- Assisted the leader for the team of 7 year olds by organizing daily activities, administering a behavior management plan, and creating projects and activities

### **Private Tutor**

*in my home and through Jimtown Elementary, Elkhart, IN, 1990-91*

- Tutored 1st and 2nd grader in reading, a 4th grader and two 5th graders in English, math, and social studies, a freshman in algebra, and a college student in college algebra

### **Cadet Teacher**

*Jimtown High School, Elkhart, IN, Fall 1990*

- Prepared lesson plans and instructed a 4th grade class independently
- Developed and implemented a positive incentive system for homework completion
- Assisted and encouraged students individually

## **Leadership Positions**

**President, Psi Chi National Honor Society for Psychology Students, 1994-95**

**Vice-President, Mortar Board Senior Honor Society of 16, 1994-95**

**Student Representative of the Psychology Department,**

*Dean's Student Advisory Council for the College of Science and Humanities, 1994-95*

**Treasurer, Psi Chi National Honor Society for Psychology Students, 1993-94**

**Co-Activities and Historian Chair, Alpha Lambda Delta National Honor Society, 1993-94**

**Freshman Orientation Leader, Red Squad, Fall 1993**

## **Honors and Awards**

Valedictorian of Jimtown High School, 1990-91

DAR Good Citizen of Elkhart County, 1990-91

Elkhart's Young Woman of the Year, First Runner-up, 1990-91

Indiana's National Teenager, First Runner-up and State Citizenship Award recipient, 1990-91

## **Other Activities**

Member of Phi Society, 1994-present

Member of Blue Key National Honor Society, 1993-present

Member of Golden Key National Honor Society, 1993-present

Member of Kappa Delta Pi, 1993-94

Member of Education in Action, 1993-94

Member of Indiana Association for Curriculum Development, 1993-94

## **Portfolio**

Demonstrating skills, special interests, and abilities will be brought to the interview

## *Philosophy of Education*

*I believe that a quality education is the key factor in the formation of productive members of society. Quality education results when the students, parents, teachers, administrators, school board and community believe in the value of education and work together to insure the achievement of democratic educational ideals. When one of these components is weak or negative, it is imperative that the remaining components work all the harder to compensate.*

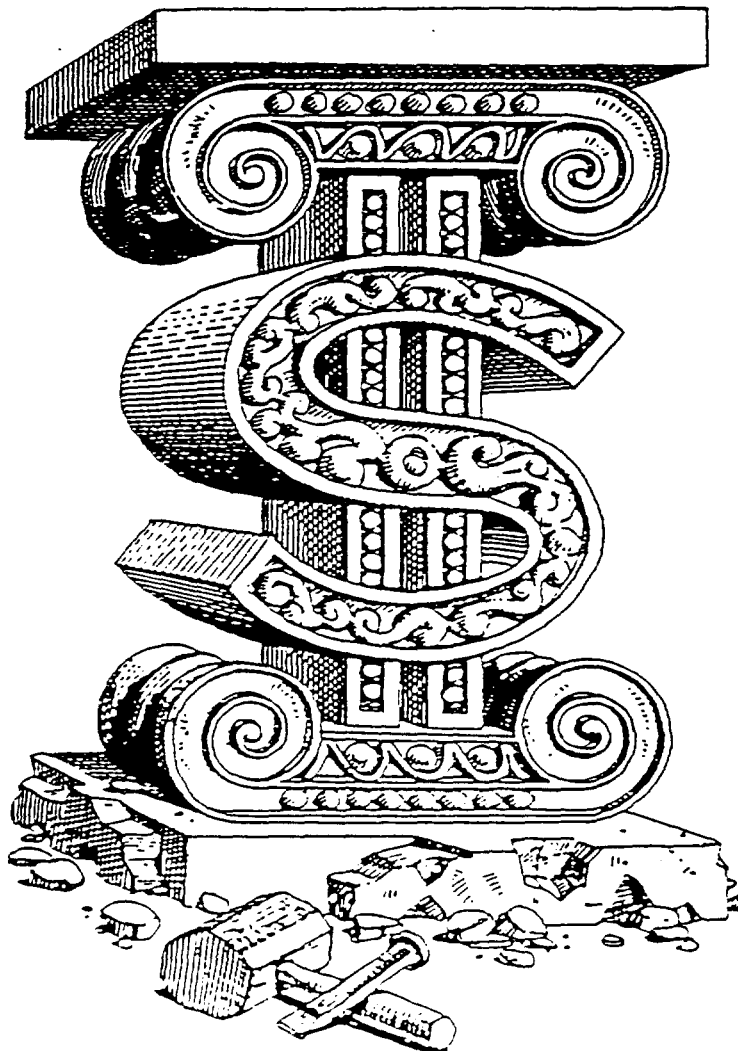
*Quality education begins in the home by treating each child as a worthwhile and capable individual. As the educational process continues into kindergarten and through the student's senior year of high school, the student's self-concept, independent critical thinking, creativity, concern and competence are to be nurtured and cultivated. Each and every teacher can make a positive difference in a student's educational experience. Teachers should possess a genuine and active interest in the welfare and progress of their students and convey this concern to each student. Oftentimes, as the saying goes, "Students don't care what you know until they know that you care." A caring, motivational teacher can make all the difference in stimulating one's intrinsic desire to learn and display concern for others. The demonstration of this motivation to learn and display concern for others is essential if children are to see education and contributing to society as a life long responsibility and strive to become productive members of a democratic society. Teachers should also continuously educate themselves concerning positive discipline strategies, innovative methods of instruction and content knowledge. The application of this knowledge in the classroom can result in a challenging, stimulating, fair, and enjoyable learning environment in which students' and teachers' self-concepts and intellects thrive.*

# **You as a Consumer**

*The resource unit that follows is a collection of materials to be utilized by middle school and junior high school teachers in their classrooms. The purpose of resource units is to provide teachers with numerous choices of activities to incorporate into their units and lessons.*

*I chose to do my resource unit on economics and the impact of advertising in today's society. I enjoyed the challenge of creating activities at a level which would interest and engage my students in the important and ever present institution of economics.*

# *You as a Consumer*



*Julie Beery*



# YOU AS A CONSUMER

You are about to embark on a journey into the exciting world of economics and advertising!

What tricks do advertisers use to get you to buy their products?

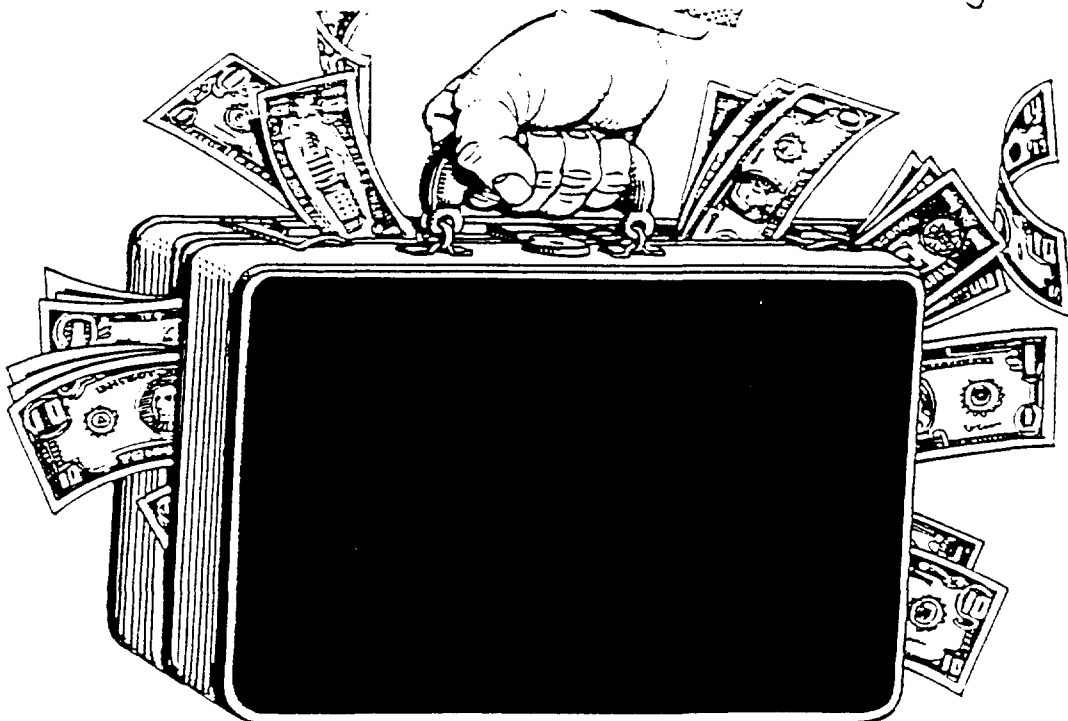
What trade would be most profitable in your community?

Who sets the prices for products?

**YOU DO!!** You are the consumer! You hold the economic power monster corporations would kill for! You have the responsibility to use your power wisely. As you travel through the projects and exercises in this unit, you will learn the tricks of the trade you need to know.

Bon Voyage!

*Miss Berry*



# Generalizations

- 1) *I, as a consumer, am the most important part of the marketing cycle. I have the responsibility and ability to make informed choices.*
- 2) *The supply and demand of various products determines their price and quantity in the market.*
- 3) *Many things determine the supply and demand of products in the market.*
- 4) *There are many things to consider before purchasing a product.*
- 5) *Advertising is all around us and reveals much about our culture.*
- 6) *Advertisers use many different methods to sell their products.*
- 7) *Advertising has great persuasive power. It influences and creates desires and values.*
- 8) *I can critique ads and determine fact from fiction.*
- 9) *Fads and desires change over time.*
- 10) *I can create ads and original products and services.*

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Muncaster, Alice L. and Ellen Yanow Sawyer. The Cat Sold It.  
Crown Publishers Inc., New York: 1986.

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Armstrong, Louise. How to Turn Up Into Down Into Up. Harcourt  
Brace Jovanovich. New York: 1978.

Lee, Mary Price. Money and Kids. The Westminster Press.  
Philadelphia: 1973.

Muncaster, Alice L. and Ellen Yanow Sawyer. The Cat Sold It.  
Crown Publishers, Inc. New York: 1986.

Zillions. A Consumer Reports Publication.

# Activities and Objectives

- 1) Money Did Grow on Trees!
  - Students will state that money is what is scarce and valued in a society.
  - Students will list advantages to a society based on a barter system.
  - Students will literally "put their money where their mouths are." As a class, students will prepare and taste "Montezuma's Money" - a chocolate beverage.
- 2) Million Dollar Smile?
  - Students will identify the different denominations of bills by the President pictured on the front.
  - Students will practice basic math skills.
- 3) Create-a-Coin
  - Students will express their creativity and apply their newly acquired knowledge of money as a symbol of what is valued in society by creating their own currency.
- 4) Products! Products! Learn All About Them!
  - Students will differentiate between different types of products by providing examples of them.
  - Students will state that economic goods are purchased because they are scarce.
- 5) It's All a Matter of Supply and Demand
  - Students will read about the relationships between supply and demand and the relationships between surplus and shortage and explain how both sets of relationships determine price and quantity.
- 6) Plot the points, . . . make your own demand curve.
  - Students will graph the relationship between the price and quantity demanded.
  - Students will be able to predict and explain changes in the demand curve.
- 7) Plot the points, . . . make your own supply curve.
  - Students will graph the relationship between the price and quantity supplied.
  - Students will be able to predict and explain changes in the supply curve.
- 8) The Opportunities We Give Up Cost Us!
  - Students will state the opportunity costs they incur by making everyday choices.

- 9) Substitutes (1)  
-Students will differentiate between original products and substitutes by stating examples of each.  
-Students will state substitutes relationship to demand curves.
- 10) Substitutes (2)  
-Students will match products with their substitutes.  
-Students will list the substitutes to products that they purchase and examine their reasons for the choices they make.
- 11) You are a Decision Maker  
-Students will rank various substitutes, exercise their math skills in determining price per unit, choose a product, and provide a rationale for their choice.
- 12) The Star Swamp  
-After reading and discussing the "Swamped by Star Stuff" article, students will list the more expensive "star stuff" they consume and examine and explain their reasons for doing so.
- 13) Conscious Consumers  
-Students will test their consumer consciousness by matching products with their ingredients.
- 14) Wise Consumers are Conservation-Minded  
-After reading the anecdote, students will list activities from it that waste natural resources.
- 15) Demand -- Stretchy Like a Rubber Band?  
-Students will read explanations of elastic and inelastic products.  
-Students will differentiate between elastic and inelastic goods by stating what products of each type their family purchases.
- 16) Elastic and Inelastic Demand Curves  
-Students will graph the price and quantity relationships for elastic and inelastic products and explain why each curve takes its particular shape.
- 17) Too Many Cooks Spoil the Soup  
-Students will define the Law of Diminishing Returns and its relation to efficiency and product price.
- 18) The More the . . . Better?  
-Students will explain the usefulness of products in terms of utility and list possible reasons why as people buy more, their utility decreases.
- 19) From Their Homes to Yours  
-Students will list the foods they consumed in a meal, their

places of production, the methods of transportation used to bring the products to their dining room tables, and the effect this has on the price of the products.

- 20) Complements -- A Real Package Deal!
  - Students will list advantages and disadvantages corporations provide the owners and the consumers.
  - Students will apply their knowledge of complements by designing their own corporation.
- 21) Watch Out for Changing Prices
  - Students will apply their knowledge of demand by explaining the effect demand has on market price.
  - Students will evaluate and explain the effect of substitutes in the market.
  - Students will evaluate and explain the effect a surplus has on market prices.
- 22) Dining Out
  - Students will apply their knowledge of minimizing opportunity costs and being a conscious consumer by selecting to eat at the restaurant of their choice.
- 23) Serve It Up!
  - Students will survey and graph statistical data concerning the market's demand for restaurants.
  - Students will evaluate this information and create a menu for a restaurant that would be supply the services demanded in the market.
- 24) Credit Cards -- The Creep-up Crud?
  - Students will evaluate the advantages and disadvantages of credit cards and list two of each.
  - Students will create a credit card form of their own.
- 25) Credit -- Buy Now and Pay More Later
  - Students will calculate the costs of consumption on credit and decide if they would utilize credit.
- 26) Farmers' Feelings
  - Students will interpret the feelings of farmers (according to the writer) and evaluate and explain whether or not some farmers could feel the same way today.
- 27) A Taxing Situation
  - Students will read about the history of taxes.
- 28) Tax Definitions
  - Students will research and list the differences between common tax definitions and tax definitions in reference material.
- 29) Tax Trivia
  - Students will select answers to tax trivia questions.

- 30) Tax Time  
-Students will design and support their own tax plan.
- 31) Discussion Starter: Your Views on Advertising  
-Students will mark and explain their feelings on advertising.
- 32) Signs in Advertising  
-Students will identify common advertising symbols and create their own symbols and images to represent particular products.
- 33) Advertising Techniques Trade-Off  
-Students will identify and explain the usefulness of the four most common advertising techniques and help those in their group to do the same.
- 34) Target Market  
-Students will evaluate an ad and define its target market.
- 35) Commercials -- You hear them over. . .  
-Students will match products with their slogans.
- 36) Life in an Advertising Agency  
-Students will evaluate an advertising campaign and determine and describe the media and methods that should be used.
- 37) Job Skills  
-Students will match the skills needed by advertising professionals with their specialty area and hypothesize what that professional would have been like in middle school.
- 38) You're Fired!  
-Students will identify behaviors that correspond with habits and attitudes necessary to be successful in school and on the job.
- 39) Behind the Wheel  
-Students will choose a billboard they pass regularly and evaluate its target market, advertising approach, and effectiveness.  
-Students will design their own ad in an attempt to appeal to the target market of the billboard.
- 40) Fortune Cookies  
-Students will analyze the sayings in fortune cookies to explain how they could help sell more Chinese food.  
-Students will create their own fortunes to sell Chinese food and design an original fortune cookie shape.



- 41) The Sneaky Sell  
-Students will predict the fact and fiction of sweepstakes by selecting statements as "true" or "false."
- 42) The Sneaky Sell (reading)  
-Students will read the facts concerning sweepstakes to verify their predictions.
- 43) The Search for the Sneaky Sell  
-Students will find a sneaky sweepstakes offer, evaluate its inadequacies and target market and create information and requirements that should appear on all sweepstakes offers.
- 44) Discovery Learning  
-Students will list things they would like to know about an ad to be an informed reader.  
-Students will devise methods of investigation in order to discover the information they are seeking.  
-As the students work in groups, they will organize responsibilities and create a method of presentation to share their findings with the class.
- 45) The Cat Sold It!  
-Students will create an ad from the past or the present using an animal to sell their product.
- 46) Roles  
-Students will describe how women were pictured and described in the ads of the past and present.  
-Students will describe the roles women were to hold during the times of the ads.  
-Students will explain whether or not they feel these roles are (or were) healthy goals for women.
- 47) Snap! Crackle! Pop! Presto?  
-Students will make Rice Krispie treats independently and list difficulties they had while preparing them.  
-Students will list information they feel should appear with the recipe or during the commercial to help first-timers make the treats.  
-Students will develop their own commercials in groups, half showing what it is really like to make the treats and half providing needed helpful information.
- 48) Commercial: Singing and Otherwise  
-Students will create commercials to demonstrate some of the absurd suggestions advertisers make during their ads.
- 49) The Fad Business  
-Students will read about the fads that have come and gone.
- 50) Fads, Fads, Everywhere!  
-Students will list the fads they have seen pass in their

lifetimes.

-Students will evaluate who started and participated in the fads, and who the fads benefitted by writing down their ideas.

51) American Fads Crossword

-Students will complete the crossword using the fad clues.

52) Pinpointing and Publishing Fads

-Students will read a brief introduction to both sides of the Guinness Book debate.

53) The Great Debate: The Guinness Book. . .

-Students will research, organize, articulate, support, and refute the arguments of others as they prepare and deliver their debates.

54) Trend-Setting

-Students will analyze the origins and future of trends by completing the statements about trends.

55) Wish List

-Students will list gifts they have wanted and list reasons in a chart why they have wanted them.

-Students will determine whether or not the things they have wished for are "star stuff" or part of a fad.

56) Roman Mythology in Advertising

-Students will identify Roman deities in ads and evaluate their significance.

57) Locker Art

-Students will recreate the culture of a student their age from a different time and region in the United States by decorating their locker in the way the student they are representing would have.

58) All About Advertising

-Students will read the advertising terms and definitions and complete the crossword puzzle.

59) The Right to be Heard

-Students will read these tips to follow before, during, and after a purchase is made.

60) Your Rights as a Consumer

-Students will role play assertive behavior before, during, and after a purchase has been made.

61) Levi's Gold

-Students will read about Levi-Strauss, a famous entrepreneur.

62) Those Revolutionary Ideas

-Students will identify inventors, their inventions, and areas of industrial development.

63) Ebenezer's Teasers

-Students will determine fact and fiction in the entrepreneur statements.

64) It Starts With Entrepreneurs --People Just Like You!

-Students will evaluate the current market and determine a demand not being filled, create a product to fill it, and state their target market and methods of advertising.

65) Innovate and Improve

-Students will utilize their entrepreneur skills to improve a product already on the market and make it unique.

66) Ready, Set, Search!

-As a class, students will review the knowledge they have attained and applied during the course of this unit by defining the terms to be found in the puzzle.

67) Giving

-Students will list non-economic gifts that can be given from the heart and shared with others.





# The Money Tree

by Barbara Webber

**O**nce in America money grew on trees. These small evergreens still grow on this continent, bearing the precious beans the Aztec Indians used as money. Today these beans produce huge fortunes because they are the source of chocolate.

The legendary history of the cacao tree dates back about nine thousand years to King Quetzalcoatl, who introduced the tree to his people, the Toltecs. They cultivated cacao trees and roasted the beans, grinding them into powder with red pepper and spices. From this mixture they prepared a thick beverage so prized that cacao beans became a precious commodity and were used as money. Eating chocolate soon became an exclusive right of the emperors and their courts and was absolutely forbidden to women.

Christopher Columbus, the first European to see the cacao tree, was not impressed by it. But in 1519, when the emperor Montezuma entertained Hernando Cortes at his sumptuous court, Cortes was served Montezuma's favorite beverage, frothy spiced chocolate. Unlike

Columbus, Cortes was impressed. He set up a cacao plantation and, in 1528, the first beans were shipped back to Spain. So began the long European love affair with chocolate, the "food of the gods."

## Spanish or Mexican Chocolate


This delicious drink might be a direct descendant of Montezuma's favorite beverage.

### You need:

4 cups milk	1 teaspoon vanilla
5 one-ounce squares semisweet chocolate	medium saucepan, spoon, rotary beater
6 inches stick cinnamon	

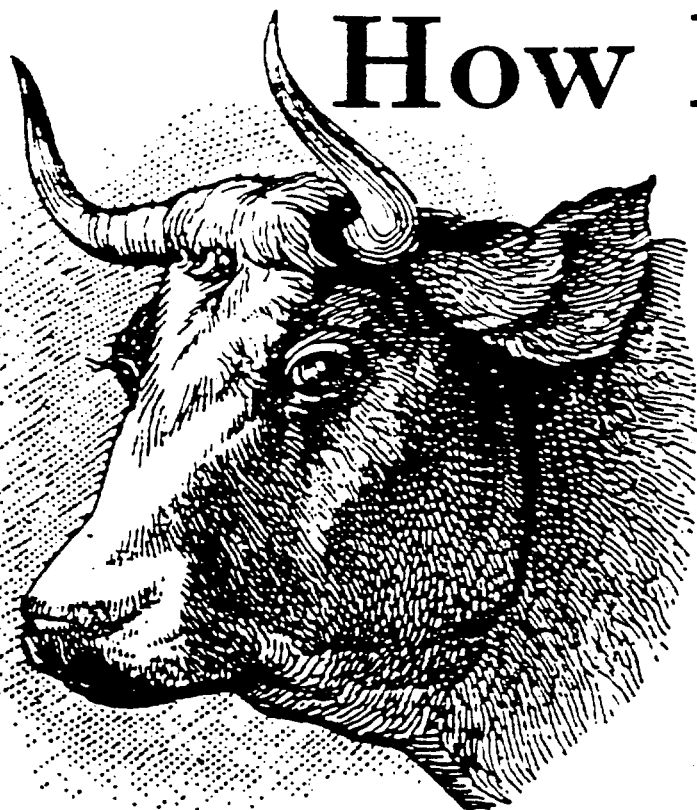
Put the milk, chocolate, and cinnamon in a pan over low heat. Melt the chocolate, stirring often, then remove the pan from the heat. Remove the cinnamon and stir in the vanilla. Beat the mixture with a rotary beater until it is frothy. Serve in four warmed mugs with cinnamon stick stirrers.

illustrated by Shelley Matheis



# How Many Cows?

by Mary Dowling Daley



---

*Irish laws give us a colorful picture of life in a barter society in the Western world.*

---

**T**he law scholars of eighth- and ninth-century Ireland considered arithmetic fun. They spent days, weeks, and months determining how many cows various workers earned in wages, the price of a piece of land, or the fine for breaking a law. Scratching on parchment with their

goose-quill pens, they set down every detail of the results. We are lucky that the Irish liked numbers because their laws, developed from the first century A.D. on, give us a colorful picture of life in a barter society in the Western world.

The Irish had no native coins until the tenth century, a thousand years after the Romans introduced coins to the French and English. Before the tenth century, and even beyond, the Irish used every commodity imaginable as money, from sea gulls' eggs and jeweled necklaces to horses' bridles, wooden bowls, salted pigs, and cow dung.

Cows were the most important item of exchange, primarily because the Irish loved to drink milk. Cow dung was used as money because of its value as fertilizer.

Here are a few examples of the way the system worked.

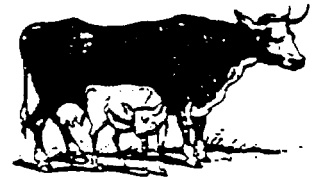
### Real Estate (price, average plot)

The best land to grow grain, dye plants, and flax for linen clothing

24 milk cows

Poor, coarse land

12 dry cows

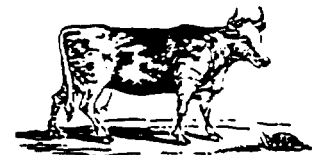


### Cows

To rent 6 cows from the chieftain for 1 year

### Fee

1 live calf, 1 slaughtered pig preserved with salt, 3 sacks of malt to make ale, ½ sack of wheat, a handful of rush candles



### Yearly Wages or Salary

The builder of chariots; the builder of steppingstones across a river

2 cows

The builder of ships

4 cows

The builder of large cook houses or kitchens for public hospitality

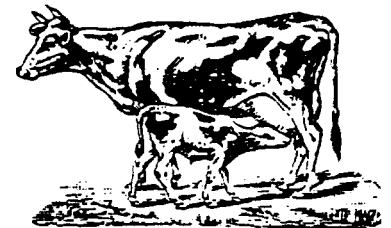
6 cows

The chief poet of the tribe

21 cows and enough grass (land) to feed them, 2 hounds, 2 horses

The overseer of the poor and wretched

1 cow of second quality



### Fines for Breaking the Law

For cutting the trunk of an oak tree

1 cow

For stripping enough bark from an oak tree to tan leather for a pair of women's shoes

The hide of 1 cow

For allowing a hen to tear up a neighbor's vegetable garden

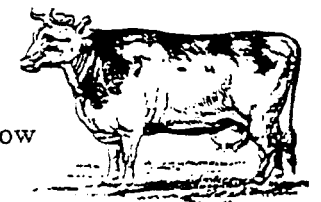
3 cakes plus a side dish of butter or bacon

For embarrassing a king by ridiculing him in public

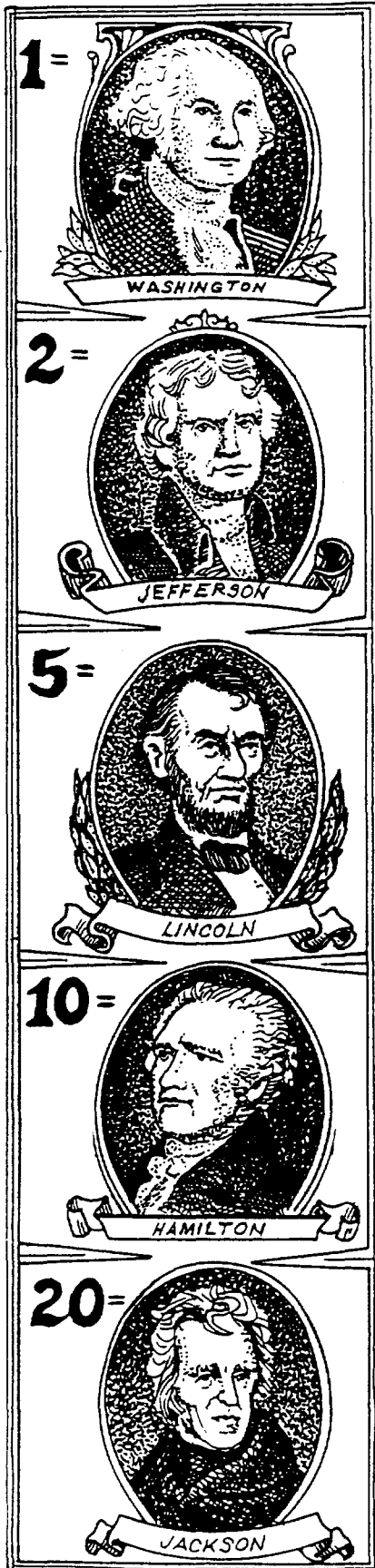
5 red-gold cows plus a precious stone

For leaving a wounded man overnight without medical care

1 cow



# Million Dollar Smile?



Every U.S. dollar bill has a picture of a famous American on one side. Use the chart on the left to help you answer the following questions:

1. You received two George Washingtons and an Abraham Lincoln for an afternoon of baby sitting. How much money did you earn? \_\_\_\_\_
2. You collected two George Washingtons, one Abraham Lincoln, and one Alexander Hamilton for your weekly paper route. How much money did you earn? \_\_\_\_\_
3. You were paid for all your summer work in the neighborhood. Your wallet, however, doesn't look very full to you. You decide to take your Andrew Jackson, your Alexander Hamilton, and your three Abraham Lincolns to the bank and exchange them for George Washingtons. Now your wallet is packed full of Washington's smiling face. Your face is smiling too when you count \_\_\_\_\_ Washingtons in your wallet.
4. You earned an Abraham Lincoln for dusting your house, an Alexander Hamilton for mowing your yard, and five George Washingtons for being a good kid. Your brother earned an Andrew Jackson for raking leaves, vacuuming, and not teasing you. How much did you earn? \_\_\_\_\_  
How much did your brother earn? \_\_\_\_\_  
Were your parents payments to each of you equal? \_\_\_\_\_
5. For painting your neighbor's fence, you earned an Andrew Jackson. On Saturday, you went to the mall and spent one Alexander Hamilton, one Abraham Lincoln, and one Thomas Jefferson. How much money do you have left?  
\_\_\_\_\_

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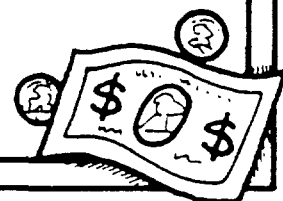
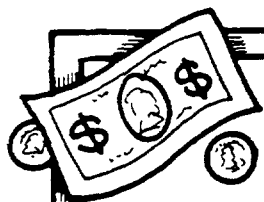
Whose picture is on the: 50-dollar bill? \_\_\_\_\_  
100-dollar bill? \_\_\_\_\_  
1000-dollar bill? \_\_\_\_\_

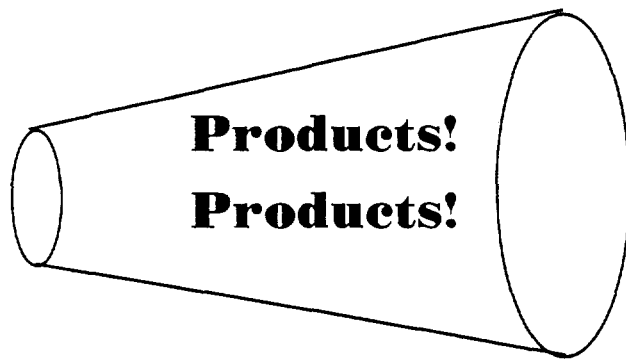




# Create-a-Coin

Congratulations! You have been selected to design a new piece of paper money and two new coins for the United States Government. You must come up with an original design and be able to explain all of the symbols you use. You may use any denomination you wish as long as you have a good reason for your choice. Name each one and show your design for the front.



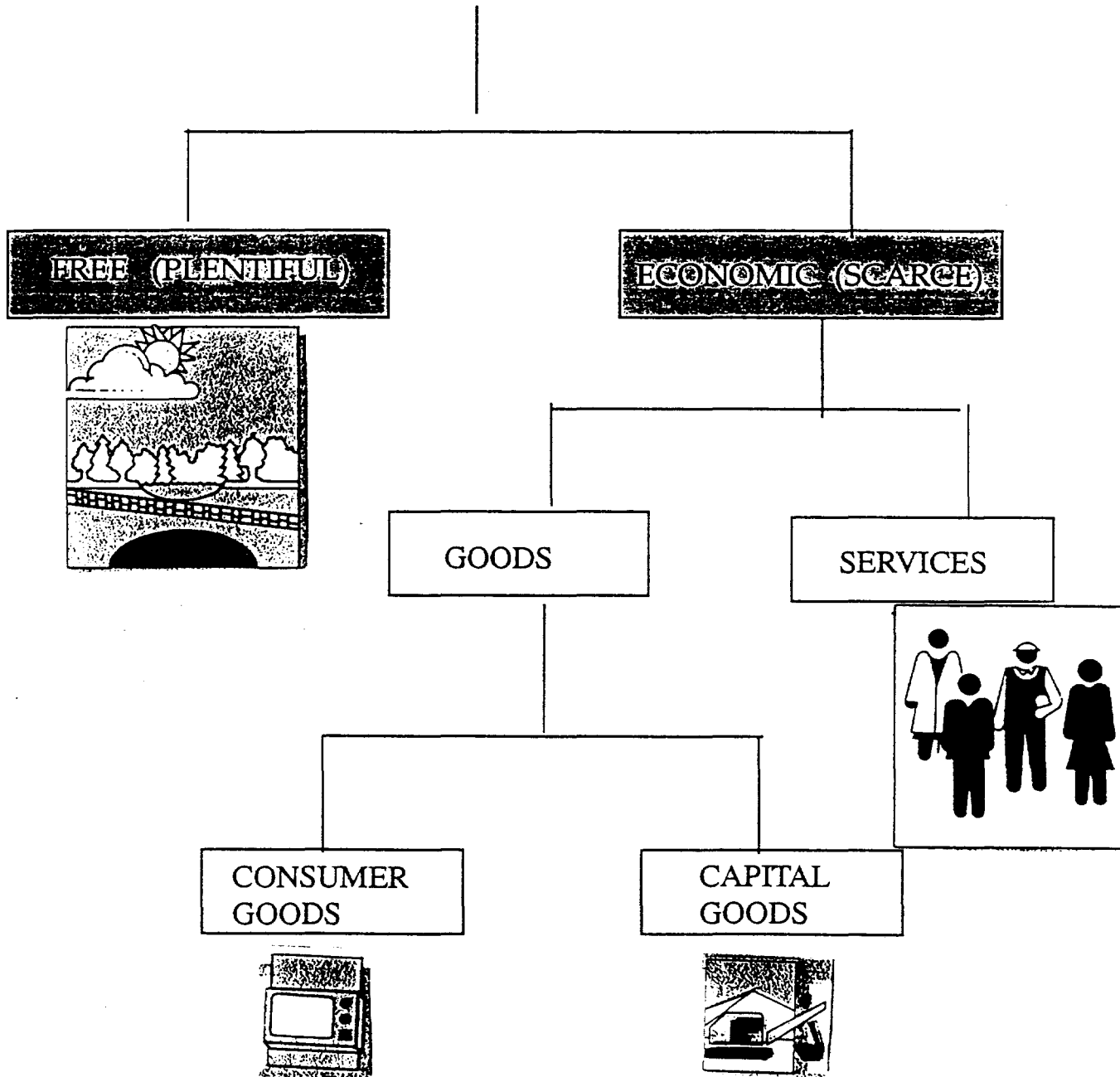


## **Learn All About Them!**

After studying the graph on the other page, answer the question below .

- 1) What products can you think of that are free?
- 2) Why do you think these goods are free?
- 3) Why are economic goods sold and purchased?
- 4) Give examples of:  
    services:  
    consumer goods:  
    capital goods:
- 5) Do your parents purchase more goods or services?
- 6) Who do you think purchases capital goods?
- 7) Do you consume more free or economic goods?
- 8) Are free products or economic products more valuable?  
    Why do you think as you do?
- 9) Do you feel free products or economic products are most  
    often wasted? Why?

# PRODUCTS



# It's all a matter of Supply and Demand

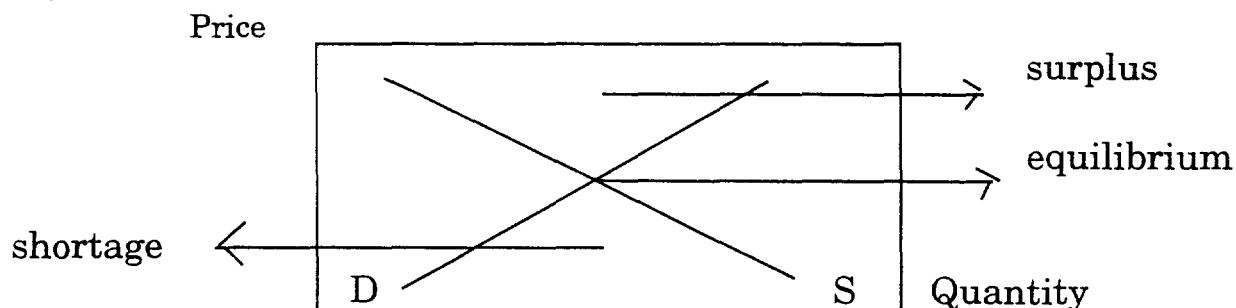
Consumers make choices constantly. They decide what they will buy and what price they will pay for it. Kyle can decide to buy a taco and pay no more than \$2.00 for it. Rebecca can decide to buy one for no more than \$4.00. These decisions determine the demand for the products. People who make these purchasing decisions are the demanders of the market. Economists use a demand curve to chart the number of people willing to buy a product at a particular time.

Suppliers are people who produce products. They determine the amount of a product in the market or the supply. They listen to the prices people are willing to pay for products. However, their goal is to supply the number of products that will produce the greatest profit. The higher the price they can charge, the more they are willing to supply. Suppliers graph this relationship between price and quantity supplied on a supply curve.

The demand curve and supply curve can be graphed on top of each other. The point where these two curves meet is called equilibrium. At this point, the majority of demanders and suppliers are happy. This point determines the number of products produced and the price charged.

Sometimes suppliers will supply less products than what are demanded in order to earn the highest profits possible. This creates a shortage in the market. Each product on the market becomes more scarce (harder to find and more valuable). Therefore, suppliers are able to raise their prices. When Cabbage Patch dolls were not supplied to fill demand, their price skyrocketed!

Sometimes suppliers will supply more products than what are demanded. This creates a surplus in the market. Products become less scarce and price goes down. Oftentimes, farm products are extremely inexpensive when farmers have had a good harvest.



# Plot the points, connect the dots, and make your own demand curve!



Use the information in the two demand schedules below to plot two demand curves of your own!

## Demand Schedules for Chi-Chi's Tacos

Before Olive Garden Opened

	Price per Taco	# Demanded
A	\$5	100
B	\$4	125
C	\$3	200
D	\$2	300
E	\$1	500

After Olive Garden Opened

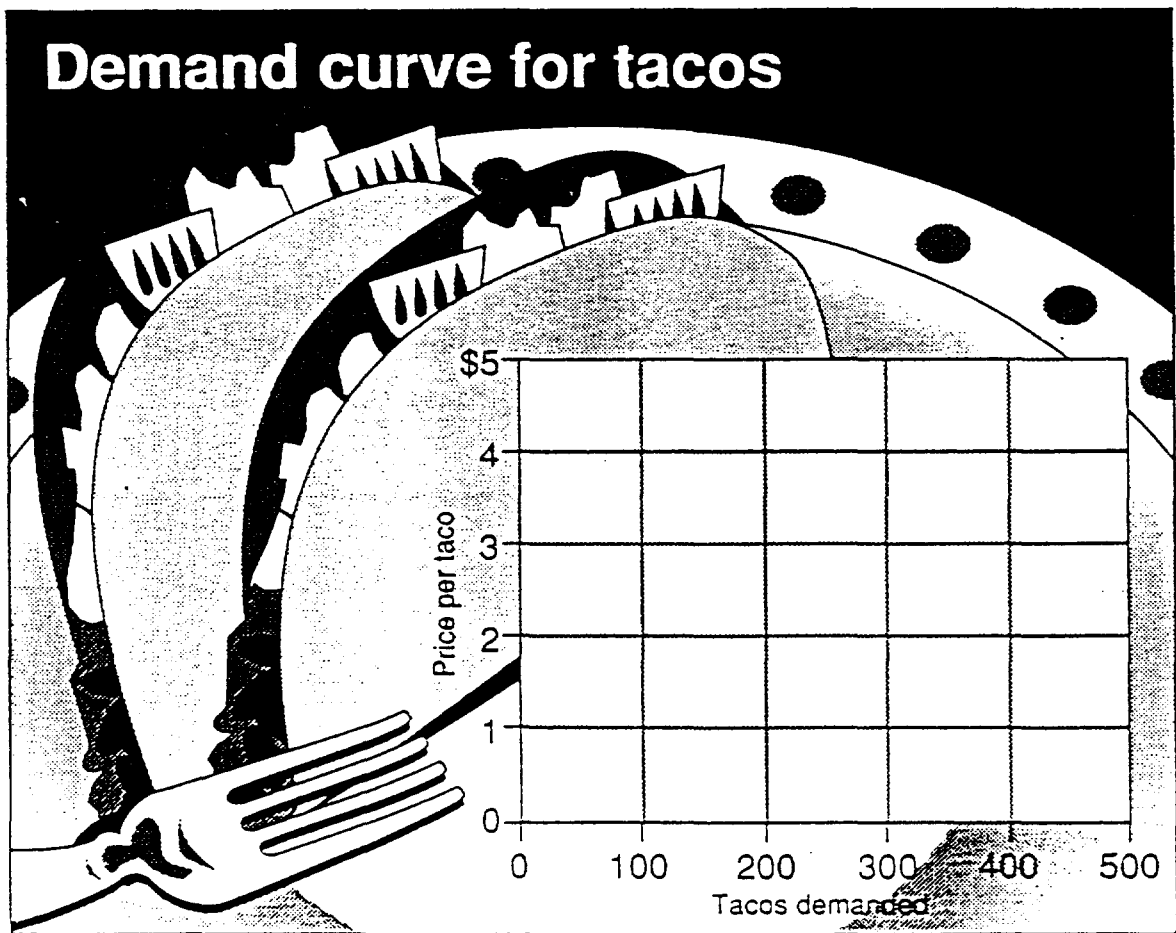
	Price per Taco	# Demanded
A	\$5	50
B	\$4	75
C	\$3	125
D	\$2	200
E	\$1	300

- 1) What happened to the demand curve for Chi-Chi's tacos when Olive Garden entered the market? \_\_\_\_\_
- 2) Is Olive Garden's food seen as substitutes for Chi-Chi's? \_\_\_\_\_  
How can you tell by looking at the curves? \_\_\_\_\_  
\_\_\_\_\_
- 3) If Olive Garden had not opened and your school had open lunch, what would happen to the demand curve for tacos? \_\_\_\_\_  
\_\_\_\_\_ How do you know? \_\_\_\_\_  
\_\_\_\_\_



# Your Demand Curve!

You may wish to plot each curve in a different colored pen or pencil to avoid confusion.



# Plot the points, connect the dots, and make your own supply curve!



Use the information in the two supply schedules below to plot two supply curves of your own!

## Supply Schedules for Baseball Caps

Raw Materials Reg. Price

Price per Cap	# Supplied
\$30	500
\$25	460
\$20	350
\$15	150

Price of Raw Materials Increases

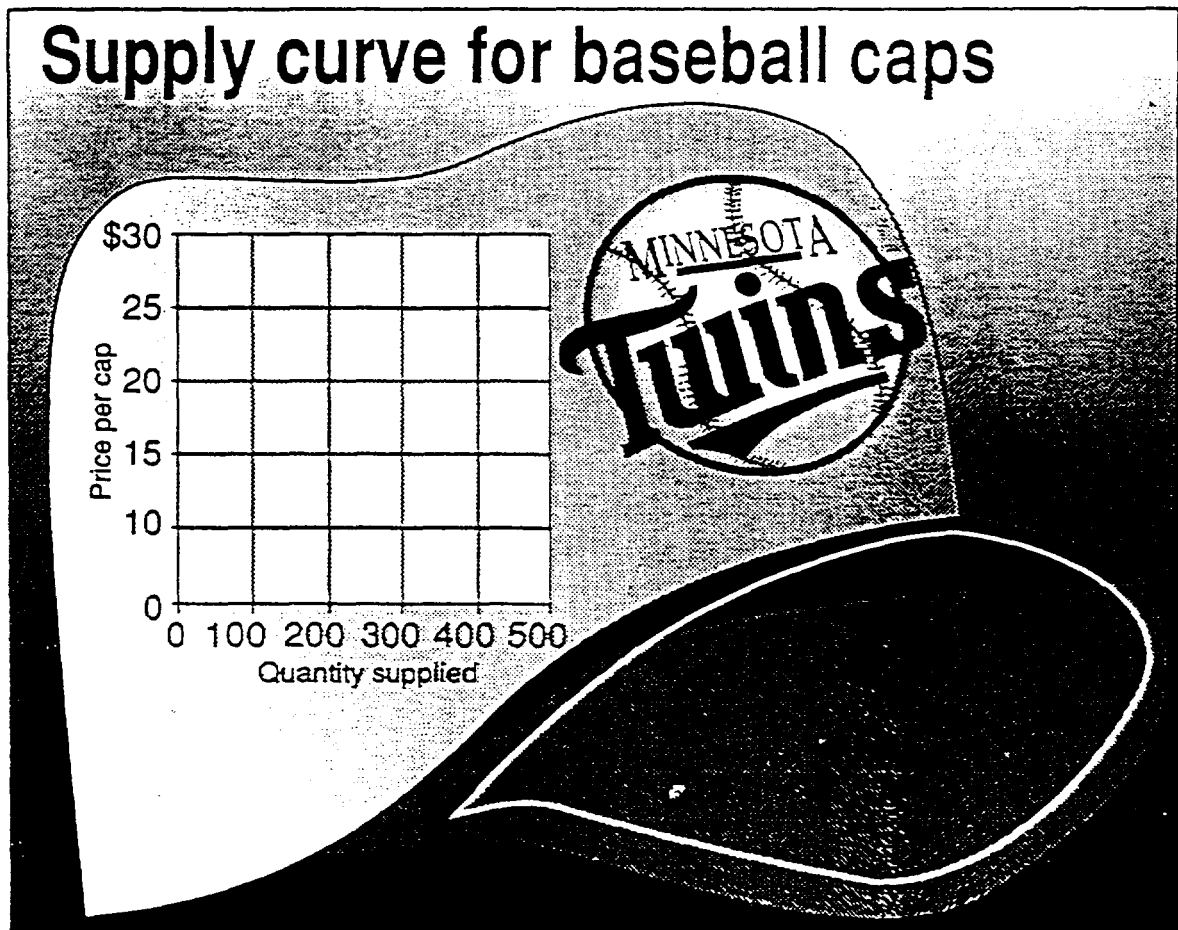
Price per Cap	# Supplied
\$30	450
\$25	400
\$20	275
\$15	75

- 1) What happened to the supply curve for baseball caps when the price of raw materials increased? \_\_\_\_\_
- 2) What do you think would happen to the supply curve for baseball caps if the price of raw materials went down? \_\_\_\_\_
- 3) How do you know? \_\_\_\_\_
- 4) What would happen to the supply curve if new technology allowed the plant to produce caps more quickly and cheaply? \_\_\_\_\_
- 5) How do you know? \_\_\_\_\_



# Your Supply Curve!

You may wish to graph each of you curves in a different color to avoid confusion.





# The Opportunities

we give up Cost us!

---

Opportunity cost is the value of what we give up to do something else. We all pay opportunity costs. Sometimes we cannot do all we'd like to because we do not have enough time. Other times we buy a more expensive product and miss the opportunity to save money by purchasing a less expensive product. With each choice we make, we choose not to do or save something else. When we make decisions we try to minimize our opportunity costs by choosing what holds the greatest value to us.

After the situations below, write down what you would do in the following situations and what your opportunity costs would be.

After school activities: \_\_\_\_\_

Opportunity costs: \_\_\_\_\_

Going to the movies: \_\_\_\_\_

Opportunity costs: \_\_\_\_\_

Having a job: \_\_\_\_\_

Opportunity costs: \_\_\_\_\_

Going to college: \_\_\_\_\_

Opportunity costs: \_\_\_\_\_



# Substitutes

Substitutes are products in the market that are able to take the place of each other. A product that is a substitute for another product is able to fulfill the wants and needs of a consumer as well as or better than the original product.

For example, suppose you wanted to purchase a Twix candy bar because you were craving something crisp and chocolately. When you get to the store, you find that Twix candy bars cost \$.60 each. You also notice that Kit Kats are on sale for \$.35 each and Blow Pops are on sale for \$.15 each. After considering the opportunity costs of purchasing the Twix (a Blow Pop or \$.15), you decide to purchase a Kit Kat instead and use the money you saved to buy a Blow Pop. The Kit Kat acts as a substitute for the Twix candy bar because it fulfilled your needs and desires (something crisp and chocolately) as well as (and in this case better than) the original product you were going to buy (a Twix candy bar).

A totally different product can also act as a substitute in the market. For example, suppose your mother went to the store to purchase something for dinner. She was planning on fixing pork chops and green beans. However, once she got to the store and saw that chicken and corn were on sale, she bought those products instead.

What were the original products? \_\_\_\_\_

What were the substitutes purchased? \_\_\_\_\_

As you can see, substitutes really have an advantage in the market when they have a lower price than their competitors. This decrease in purchasing of one product and increase in purchasing of another effects the demand curves of these products. If McDonald's hamburgers were seen as substitutes for Burger King's hamburgers and McDonald's hamburgers were cheaper, what do you predict would happen to Burger King's demand curve? \_\_\_\_\_ McDonald's? \_\_\_\_\_

If you were the owner of Burger King, how would you handle this situation? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_





# Substitutes

In the activity below, match each product on the left with its substitute on the right. Remember that substitutes are products that fulfill the needs and desires of the consumer just as well or better than the original product. They are not necessarily inferior products, just different ones.

- |                                  |                       |
|----------------------------------|-----------------------|
| 1) _____ lasanga                 | a. sausage            |
| 2) _____ Pizza Hut               | b. oranges            |
| 3) _____ Guess jeans             | c. cauliflower        |
| 4) _____ Ben & Jerry's ice cream | d. Levi jeans         |
| 5) _____ bacon                   | e. Lay's potato chips |
| 6) _____ broccoli                | f. spaghetti          |
| 7) _____ Pringles potato chips   | g. Little Ceasar's    |
| 8) _____ apples                  | h. Breyer's ice cream |

What products do you purchase that have substitutes? What determines which product you buy?

original product \_\_\_\_\_

substitutes \_\_\_\_\_

I buy the product that \_\_\_\_\_

original product \_\_\_\_\_

substitutes \_\_\_\_\_

I buy the product that \_\_\_\_\_

original product \_\_\_\_\_

substitutes \_\_\_\_\_

I buy the product that \_\_\_\_\_





# *You are a Decision Maker*



In the activity upon which you are about to embark, you will be given several options of things to buy and things to consider before choosing what to buy. Your group will be given a sheet containing several products and their prices and coupons for selected products. The chart below contains a list of things to consider before choosing your product. To help you select your product, fill in the chart by ranking the listed qualities (5=best to 1=worst).

<u>Brand Name &gt;</u>				<u>Generic</u>
<u>Price</u>				
<u>Taste</u>				
<u>Smell</u>				
<u>Quality</u>				
<u># of Servings</u>				
<u>Size of Servings</u>				
<u>Performance</u>				

Note: Not all of the qualities listed above will apply to the products I have given some of you.



*You are out of toothpaste.*

*Which will you choose?*

*Colgate*

*smallest size using coupon = \_\_\_\_\_ # to buy with coupon = \_\_\_\_\_  
total # of ounces = \_\_\_\_\_ price each = \$1.39, total price = \_\_\_\_\_  
price after coupon = \_\_\_\_\_ price per ounce = \_\_\_\_\_*

*Aquafresh*

*smallest size using coupon = 6.1 ounces, price = \$1.98,  
price after coupon = \_\_\_\_\_ price per ounce = \_\_\_\_\_*

*Crest- surprise in-store coupon!*

*smallest size using coupon = 5.9 ounces, price with coupon = \$1.79  
price per ounce = \_\_\_\_\_*

*Generic*

*# of ounces = 6.0, price = \$1.19, price per ounce = \_\_\_\_\_*

*For simplicity's sake, all other toothpaste products are \$.06 more per ounce than the highest priced toothpaste listed above.*

*After completing this page and the chart on the other page, write a few sentences on the back of this sheet supporting the decision you made.*





*You want some frozen yogurt.  
Which will you choose?*

*1/2 cup = 1 serving (1 gallon = 4 quarts, 1 quart = 2 pints, 1 pint = 2 cups)*

*Breyer's*

*size using coupon = \_\_\_\_\_ # of servings = \_\_\_\_\_*

*price = \$2.59/half gal., price after coupon = \_\_\_\_\_*

*price per serving = \_\_\_\_\_*

*Edy's*

*size using coupon = \_\_\_\_\_ # of servings = \_\_\_\_\_*

*price = \$1.89/half gal., price after coupon = \_\_\_\_\_*

*price per serving = \_\_\_\_\_*

*Homemade*

*size using coupon = \_\_\_\_\_ # of servings = \_\_\_\_\_*

*price = \$1.68/half gal., price after coupon = \_\_\_\_\_*

*price per serving = \_\_\_\_\_*

*store brand*

*size = gallon, # of servings = \_\_\_\_\_, price = \$3.11,*

*price per serving = \_\_\_\_\_*

*For simplicity's sake, all other yogurt products are \$.05 more per serving than the highest priced yogurt product listed above.*

*After completing this page and the chart on the other page, write a few sentences on the back of this sheet supporting the decision you made.*



*You need soap for your next shower.*

*Which will you choose?*

*Tone*

# of bars per pack = \_\_\_\_\_ ounces per bar = 10, to tal ounces = \_\_\_\_\_  
price per pack = \$1.08, price after coupon = \_\_\_\_\_  
price per ounce = \_\_\_\_\_

*Dove*

# of bars per pack = \_\_\_\_\_ ounces per bar = 9, to tal ounces = \_\_\_\_\_  
price per pack = \$1.19, price after coupon = \_\_\_\_\_  
price per ounce = \_\_\_\_\_

*Coast*

# of bars per pack = \_\_\_\_\_ ounces per bar = 11, to tal ounces = \_\_\_\_\_  
price per pack = \$1.69, price after coupon = \_\_\_\_\_  
price per ounce = \_\_\_\_\_

*Generic bar soap*

# of bars per pack = 4, ounces per bar = 7, to tal ounces = \_\_\_\_\_  
price per pack = \$1.40, price per ounce = \_\_\_\_\_

*For simplicity's sake, all other soap products are \$.04 more per ounce than the highest priced soap product listed above.*

*After completing this page and the chart on the other page, write a few sentences on the back of this sheet supporting the decision you made.*





*You need margarine for chocolate chip cookies.  
Which will you choose?*

*Country Crock*

*4 sticks = 2 cups, price = \$.80, price after coupon = \_\_\_\_\_  
price per cup = \_\_\_\_\_*

*Fleischmann's*

*8 sticks = \_\_\_\_\_ cups, price = \$.65 each, number purchased = \_\_\_\_\_  
price after coupon = \_\_\_\_\_ price per cup = \_\_\_\_\_*

*I Can't Believe It's Not Butter*

*6 sticks = \_\_\_\_\_ cups, price = \$1.10, price after coupon = \_\_\_\_\_  
price per cup = \_\_\_\_\_*

*Generic margarine*

*4 sticks = \_\_\_\_\_ cups, price = \$.30, price per cup = \_\_\_\_\_*

*For simplicity's sake, all other margarine products are \$.10 more per cup than the highest priced margarine listed above.*

*After completing this page and the chart on the other page, write a few sentences below supporting the decision you made.*







*You need cleaner to mop the floor.  
Which will you choose?*

*Mr. Clean*

*smallest size = 20 ounces, price = \$1.97, price after coupon = \_\_\_\_\_  
price per ounce = \_\_\_\_\_*

*Spin and Span*

*smallest size = 22 ounces, price = \$2.00, price after coupon = \_\_\_\_\_  
price per ounce = \_\_\_\_\_*

*Lysol Deodorizing Cleaner*

*smallest size = 25 ounces, price = \$2.75, price after coupon = \_\_\_\_\_  
price per ounce = \_\_\_\_\_*

*Generic cleaner*

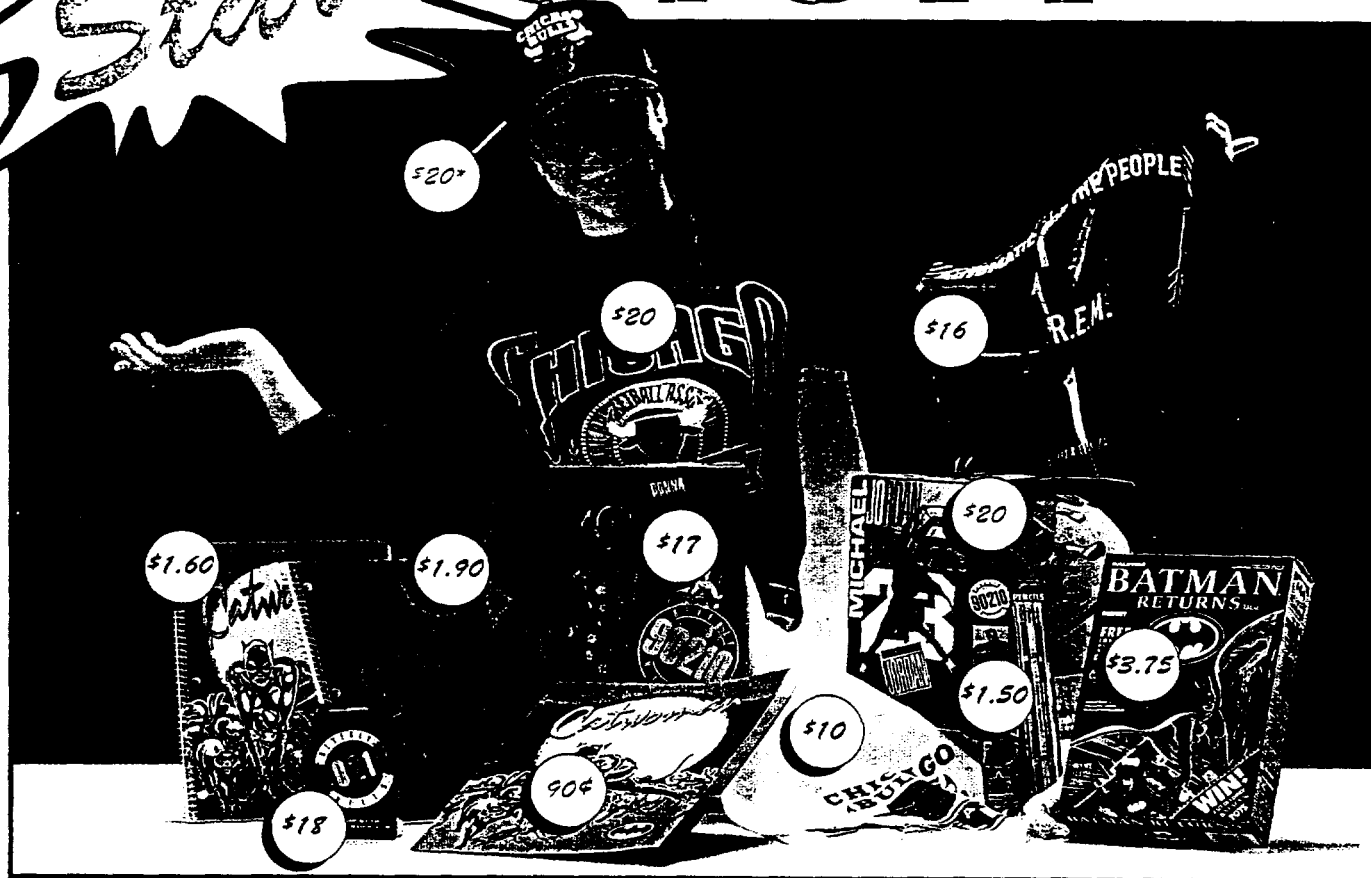
*smallest size = 25 ounces, price = \$.99, price per ounce = \_\_\_\_\_*

*For simplicity's sake, all other floor cleaning products are \$.08 more per ounce than the highest priced cleaner listed above.*

*After completing this page and the chart on the other page, write a few sentences below supporting the decision you made.*



# SWAMPED BY STAR STUFF



PHOTOGRAPHER—RICHARD HUTCHINGS

How much could this star-struck shopper have saved if she'd bought plain stuff instead of star stuff?

Why are the names of stars, teams, movies, and TV shows stuck on everything from shirts to cereal? Read on for the answer to this and other questions from ZILLIONS readers — and to learn how to enjoy star stuff without getting swamped.

## WHY DOES STAR STUFF COST MORE?

That's the main question asked by 300 ZILLIONS readers we interviewed. They wondered why licensed products like the ones swamping the girl above cost more than plain stuff (in this case almost

twice as much in total).

Not all licensed products cost more, but most do. Take her *Bulls* sweatshirt. The NBA (National Basketball Association) owns the rights to the use of the name and symbol of the *Bulls* and the 26 other NBA teams. That's called owning the team's product "license." The NBA lets companies put the *Bulls* on products only if the companies pay a fee. For every \$20 *Bulls* shirt a clothing company makes, it might have to pay the NBA about a \$1 fee.

Actually *you* pay the fee. The shirt company increases the shirt's price to cover the

fee. But that only partly explains why her *Bulls* shirt cost \$5 more than a plain one at the same store. Of course, it cost the shirt company something to make a shirt with a design on it. But companies and stores often add on a little extra to star-stuff prices. They think if you love the *Bulls*, you'll pay more for their products.

Other star-powered products work the same way. With products that feature music groups, often the group itself owns the rights to the use of its name and collects the fees. With TV shows and movies, usually the producer of the

We chose a movie with lots of products, *Batman Returns*. In fact, there was so much *Batman* stuff we limited our test to "extras" — things like mugs, chalk, scarves — no action figures. The items shown below are some of the 52 "extras" we found on a three-day shopping spree when the movie opened.

Our seventh-grade judges had to decide which were good buys for a bat fan and which were junk. Their verdict? Almost all said half or more of the stuff was junk. Only four items got "worth buying" votes from most kids: the mug, folder, water bottle, and tray. "Most of it was low quality and useless," said Frank. "In a week you wouldn't want it." It might end up in the garbage — not very Earth friendly of the caped crusader or his fans.

## WHAT'S A FAN TO DO?

"It's fun to buy some star stuff if you don't go overboard the way I did," said Darren. Here's how he and other ZILLIONS readers keep from getting swamped:

● "Buy just a few things," said Darren. Lauren agreed. For *90210*, she got only a poster and tape: "I didn't want to get stuck with lots of stuff the way I was with *New Kids on the Block*."

● "Buy things you can use," said Barry. "I got *Simpsons* pajamas because I like the show *and* needed pajamas."

● "Buy inexpensive items," said Pete. Some possibilities: pencils, T-shirts, posters, less-expensive styles of caps.

● "Look at price *and* quality," said David. "Make sure you don't pay a lot for second-

rate stuff," said Thomas.

Jordan added: "With plain stuff, you don't have to worry about it going out of style."

● "Wait," said Sarah. "See if you still want it after a week. Chances are you won't."

Kristin added: "See if someone has the thing you want so you can try it first."

● "Return it," said Michael N. This won't work in every situation, but it sure saved Michael N. He blew his lawn-mowing earnings on *Batman Returns* toys. When he got home, he realized he'd wasted his money. He still had the receipts. So he returned the toys to the store. "You don't really need to buy *anything* to be a fan," he said. "Just watch the movie (or game or show) and enjoy it."

These *Batman Returns* products were checked over by 30 seventh graders.

"SOME OF IT WAS OKAY, BUT MOST WAS JUNK." LAWRENCE

show or movie owns the license and collects the fees.

Do stars earn anything from the fees? TV or movie performers usually get some of the fee, especially if their picture is on a product. How much they get depends on the deal they made with the producer of their show.

The NBA puts part of the fees it collects in a retirement fund for players. They get their share when they stop playing. Part of the money is also split evenly among all 27 NBA teams. *Bulls* stuff may sell best, but the *Bulls* get the same as the other teams. In football, some money goes to the teams, some right to the players. Big stars like Michael Jordan often make private deals with companies like Nike. If so, they usually get money directly from the sale of what they endorse.

## WHY IS IT SOLD?

"To make money," said Michael A., one ZILLIONS reader we interviewed. He guessed part of the answer. Last year, the NBA earned about 1½-billion dollars from fees it collected for everything from caps to cards. The first *Batman* movie sold about 1½-billion dollars worth of stuff. *Ninja Turtle* things have brought in more than 4-billion dollars. But if a movie fizzles, as *Dick Tracy* did, companies and stores can lose money. Many got stuck with tons of *Tracy* things they

couldn't sell.

"Money helps, but that's not the primary reason for the products," said a *Beverly Hills, 90210* official. "Our goal was to publicize the show. The products helped bring in more viewers." If you wear a *90210* shirt, you're a walking ad for the show. Ads

even more viewers — younger ones.

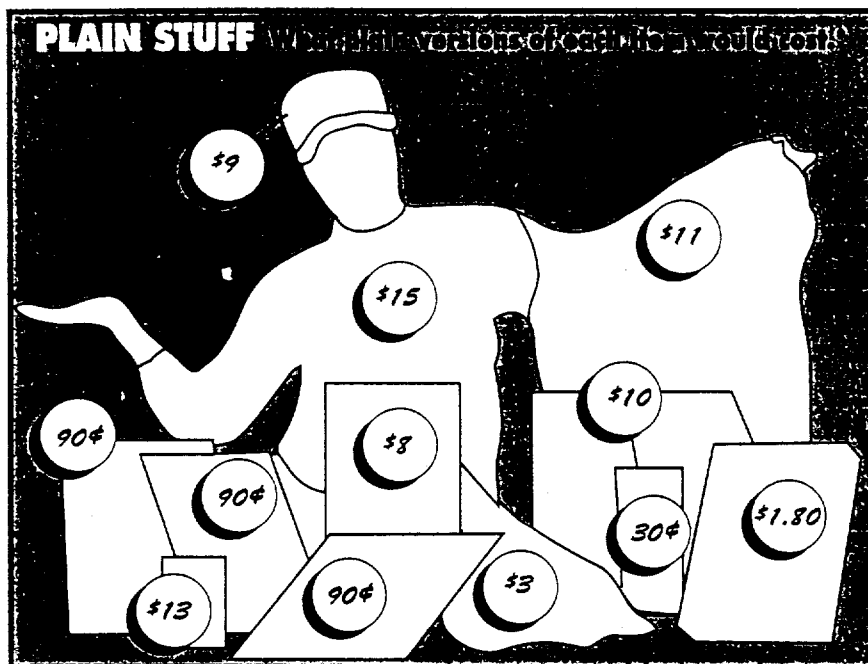
A *Batman Returns* official gave another reason for oodles of products: "The window of opportunity is so short." Translation: There are usually only a few weeks when a movie is really hot, so let's make the most of it.

But some ZILLIONS readers said all those products can be a problem for kids. "When you see stuff everywhere, it's like you're brainwashed into thinking you have to have it," said Billy. "Once you're tired of a movie or group, you'll be embarrassed to have the things,"

said Emily. That happened to Lily with *New Kids on the Block*: "Their stuff was all over. I wanted one of everything. But I liked the group for only six months. Then all the stuff went in the trash. I felt stupid." So did Darren. He bought tons of *Bulls* things and then lost interest in the team: "What a waste."

## IS IT JUNKY?

Most kids we interviewed had just bought some star stuff. Many liked what they got. Others griped about broken pens, ripped notebooks, or useless trinkets. The movie, TV, and sports officials we talked with claim to sell only quality stuff. We picked one movie's products and let 30 seventh graders judge. ➔



like that really work. An NBA official agreed: "Products are a great tool to spread the word about NBA teams."

## WHY SO MUCH STUFF?

There are more than 50 *Home Alone* products and more than 100 each for the NBA, *90210*, and the movies *Aladdin* and *Malcolm X*. But *Batman Returns* takes the prize. It blitzed stores with more than 1,000 bat things.

"The number of products has increased like crazy because the first groups to do this had such success," an expert said. "Others want to jump in and get as much exposure as possible" for their show or sport. That's why *90210* recently added dolls to its lineup. It wanted to attract

\* Total cost for the plain items: \$73.80. Total cost for the star stuff: \$130.65. Thanks to Michael Arcadio, Billy Balle, Lawrence Barredo, Frank Canales, Jordan Haudon, Emily Roth, and other

# ***THE STAR SWAMP***

***LIST BELOW THE STAR  
STUFF YOU OWN***

***WHY DO YOU BUY STAR  
STUFF?***

***DO YOU FEEL STAR  
PRODUCERS TAKE  
ADVANTAGE OF KIDS?  
WHY?***

***DO YOU GET MORE FOR YOUR  
MONEY WITH STAR STUFF? WHY OR  
WHY NOT?***

# Conscious Consumers

Conscious consumers try to minimize their monetary opportunity costs by purchasing substitutes and using coupons. Conscious consumers also know what they are getting for their money. They read the labels of products to determine which product has the most value to them. For example, they check clothing labels for the types of materials used and food labels for nutritional value.

Check your consumer consciousness by trying to match the commonly consumed products below with their ingredients. You may be surprised!

Chocolate Drop Cookies  
Coffee Mate  
Creamy Peanut Butter  
Lipton Noodle Soup

Meow Mix  
Nestle Quik  
(Strawberry Flavor)  
Tang

Toaster Pastries (Pop Tarts)  
Van Camp Pork and Beans  
Whole Kernel Corn

1. \_\_\_\_\_ Whole kernel corn, water, sugar, salt.
2. \_\_\_\_\_ U.S. Grade No. 1 peanuts, dextrose, vegetable monoglycerides, salt.
3. \_\_\_\_\_ Prepared small white beans, water, sucrose, dextrose, concentrated tomatoes, salt, pork, vinegar, bicarbonate of soda, onion powder, natural and artificial flavorings, spice.
4. \_\_\_\_\_ Enriched wheat flour, shortening, sugar, coconut, sweet chocolate, oats, corn syrup, dextrose, cocoa powder, dairy whey solids, salt, leavening, emulsifiers, (lecithin, sorbitan monostearate, polysorbate 60), artificial flavoring.
5. \_\_\_\_\_ Sugar, citric acid, calcium phosphates, modified starches, potassium citrate, cellulose gum, natural orange flavor, vitamin C, hydrogenated coconut oil, artificial color, vitamin A, palmitate, BHA.
6. \_\_\_\_\_ Enriched egg noodles, salt, hydrogenated vegetable oil, monosodium glutamate (flavor enhancer), dried corn syrup, natural flavors, powdered chicken, chicken fat, anhydrous dextrose (corn sugar), wheat starch, powdered onions, dehydrated parsley, artificial color.
7. \_\_\_\_\_ Corn syrup solids, vegetable fat, sodium caseinate, mono- and diglycerides, dipotassium phosphate, sodium silicoaluminate, artificial flavor, tricalcium phosphate, artificial colors.
8. \_\_\_\_\_ Sugar, malto-dextrins, citric acid, gum arabic, imitation flavors, salt, artificial color.
9. \_\_\_\_\_ Wheat flour, sugar, corn syrup, shortening (BHA added as a preservative), rye flour, dextrose, corn flour, whey solids, strawberries, glycerine, gelatinized corn starch, ground dried apples, salt, leavening, imitation flavor, wheat starch, malic acid, citric acid, gelatin, potassium sorbate, vitamin A, niacin, artificial color, vitamin B<sub>1</sub>, vitamin B<sub>2</sub>.
10. \_\_\_\_\_ Soybean meal, corn gluten meal, ground yellow corn, ground wheat, animal fat preserved with BHA, condensed tuna solubles, animal liver and glandular meal, poultry by-product meal, brewer's dried yeast, defluorinated phosphate, calcium carbonate, wheat germ meal, dried whey, iodized salt, dried skimmed milk, phosphoric acid, choline chloride, artificial coloring, vitamin A, D<sub>3</sub>, E, B<sub>12</sub> supplements, para-amino-benzoic acid, riboflavin supplement, menadione sodium bisulfite (source of vitamin K activity), thiamin, niacin, manganese sulfate, manganous oxide, ferrous sulfate, iron oxide, zinc oxide, copper oxide, cobalt carbonate.

# Wise Consumers are conservation-minded

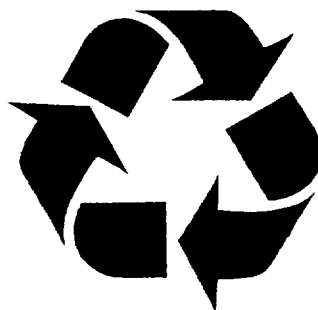
Pick a partner and read the story that follows. See how many suggestions you could give Scot to help him conserve our natural resources and be a wise consumer. Some of Scot's wastes are conspicuous wastes (obvious wastes). The pair that can come up with the most suggestions will receive a prize. Happy Hunting!

When Scot woke up in the morning, he let his clock radio play, turned on all the lights in his room, and headed for the shower. While he waited for his shower water to heat up, he went downstairs and turned the heater's thermostat up to 78 degrees. While he was in the living room, he turned the television on and the lights in the room. Then he headed back upstairs. By the time he got into the shower, the water was hot. After his 20 minute hot shower, he did forgot to turn the lights off in the bathroom. He also did not notice that the faucet was dripping.

Before he left for school, Scot wanted to make himself breakfast. He left the refrigerator door open as he decided what he was going to have. While he ate breakfast he watched the small television in the kitchen. After he was done eating, he let water run over his cereal bowl to help it "soak." He eventually left for school not noticing the slight drip of the kitchen faucet.

Since Scot did not think it was "cool" to ride the bus, he insisted that his mom drop him off at school. While he was at school, he used an electric pencil sharpener and an electric stapler instead of manual ones. When he made mistakes doing his assignments, he threw away each piece of paper and started over on a new full sheet. For lunch, Scot had pizza and chips on a styrofoam plate and a can of Coke. After lunch he threw his trash in the waste can.

After watching a full night of television after school, Scot got ready for bed. Before going upstairs, he did not turn the thermostat down. Upstairs, he let the water run while he brushed his teeth and washed his face. When he got into his bedroom, he turned his stereo on quietly and his electric blanket on high and snuggled down into his blankets and drifted off to sleep.



# Demand - stretchy like a rubber band?

Yes! Demand can stretch, shrink, and change just like a rubber band! Economists refer to this as elasticity.

Elastic goods are usually purchased when they are inexpensive or during good economic times. These goods are usually wants, not necessities. For example, oranges and washing machines are usually elastic goods. If oranges are expensive, other fruits will act as substitutes and be purchased instead. If washing machines are on sale, your parents would be much more likely to purchase that new washer they have been wanting. If washing machines are not on sale, they are much more likely to stick it out with the old one. Elastic goods have an elastic demand curve. Elastic demand curves are diagonal. This is because the number of elastic goods purchased varies widely according to the price of the good.

On the other hand, inelastic goods must be purchased. Consumers will pay almost any price to attain this product because they need it and there are usually no substitutes available. For example, heart medication and gasoline are usually inelastic goods. One might need a certain amount of a specific medication to live. One might also need to commute to work every day, and cars only run on gasoline. Because there is little variation in the number of products purchased due to their price, inelastic goods have an inelastic demand curve. Inelastic demand curves are more vertical. This is because the quantity need is relatively fixed and the curve shoots up regardless of price.

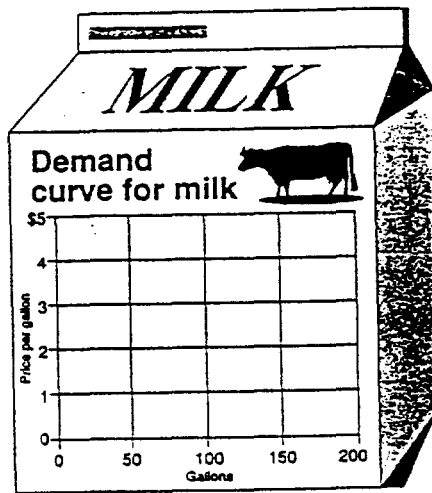
What elastic goods does your family purchase? \_\_\_\_\_

What inelastic goods does your family purchase? \_\_\_\_\_



# Elastic and Inelastic Demand Curves

Use the demand schedules below for milk and watermelon to graph their demand curves and answer the questions that follow.



**Demand Schedule for Milk**

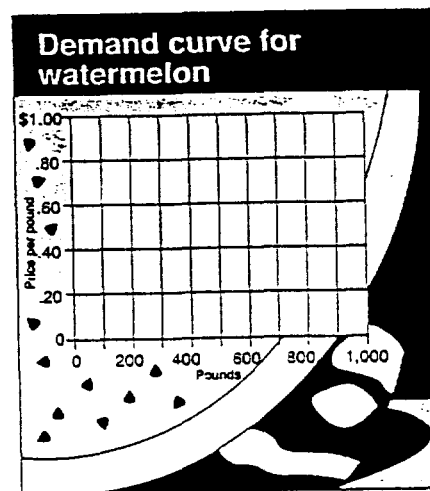
	Price Per Gallon	Gallons Demanded
--	---------------------	---------------------

A	\$5	100
B	\$4	110
C	\$3	120
D	\$2	140
E	\$1	160

**Demand Schedule for Watermelon**

	Price Per Pound	Pounds Demanded
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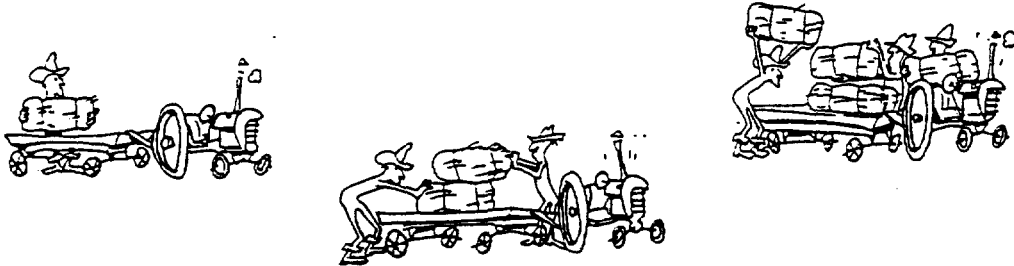
A	\$1.00	100
B	.80	140
C	.60	200
D	.40	400
E	.20	1000



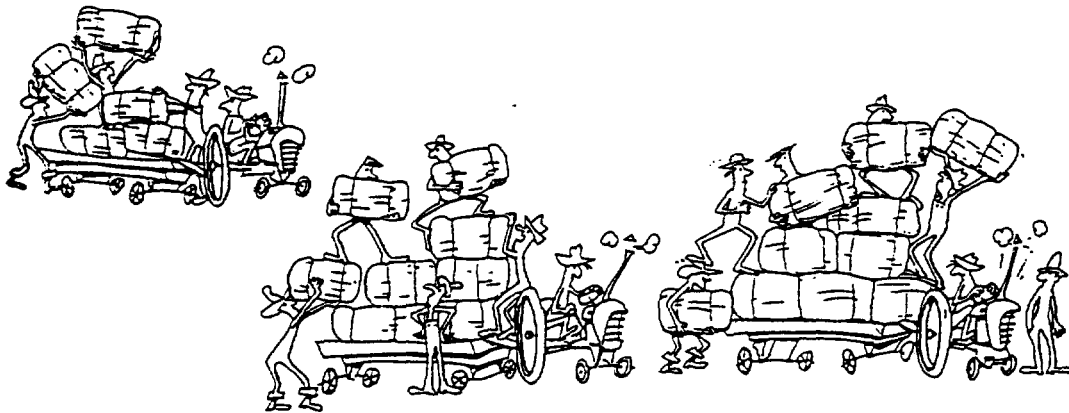
- Which product has a relatively elastic demand curve? \_\_\_\_\_  
Why? \_\_\_\_\_
- Which product has a relatively inelastic demand curve? \_\_\_\_\_  
Why? \_\_\_\_\_

# Too Many Cooks Spoil the Soup

## The Law of Diminishing Returns in Action



The farmer needs some help. He gets it. Production increases.



Too many people get in each others way. Production diminishes.

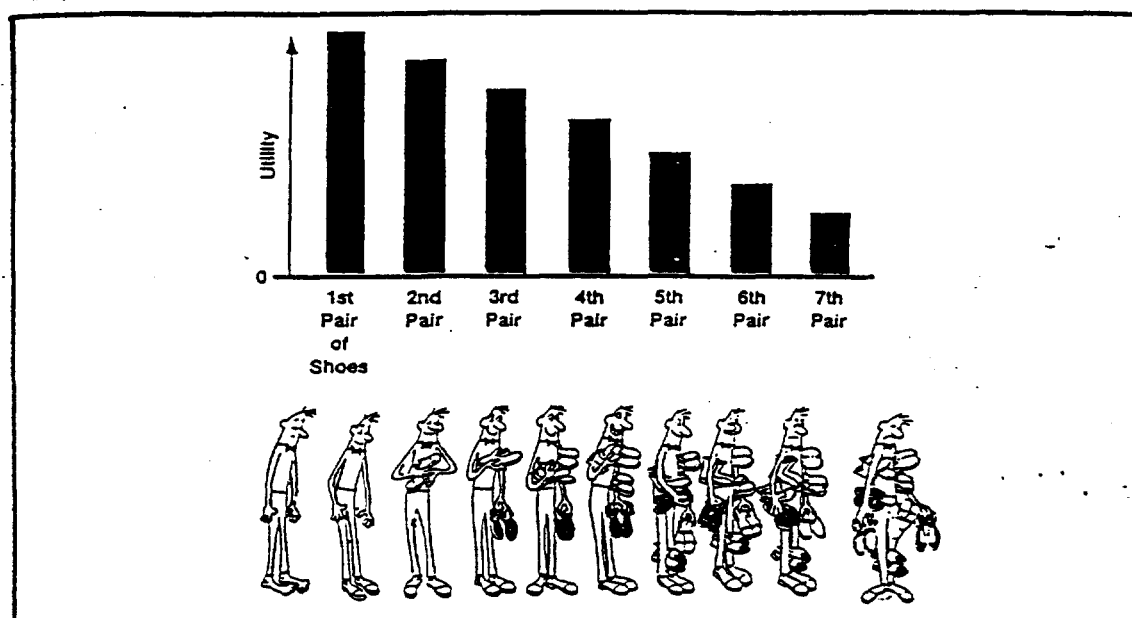
**Write your own definition for the Law of Diminishing Returns by studying the picture above.**

**When too many people are working on a job together, is work production efficient? Why or why not?**

**If the manufacturing process of a product is inefficient, how might the price of the product be affected?**

# The More the . . . Better?

Utility is the usefulness and value of an item to a consumer. Examine the illustration of utility below. As you evaluate the picture, consider the questions that follow and be ready to discuss them with the class.



- 1) Which pair of shoes is the most useful to this consumer? The least? Why?
- 2) Would you predict the utility of a 10th pair of shoes to be higher or lower? Why do you think so?
- 3) What do you own that decreases in utility with each additional purchase?
- 4) Do consumers often purchase more than they need and experience a decrease in utility with each purchase? Why do you feel as you do?
- 5) What could motivate people to buy several of the same product?



## *From their Homes to Yours*

If you think about it, the food in your cupboards probably came to you from all over the world. Tonight, consider the various places parts of your dinner could have been produced. Below, write where each item could have come from and the methods of transportation used to bring each item to your table. (Hint: It might be helpful to check the economic atlas in class.)

Food Item: \_\_\_\_\_

Place (s) of Production: \_\_\_\_\_

Methods of Transportation: \_\_\_\_\_

Food Item: \_\_\_\_\_

Place (s) of Production: \_\_\_\_\_

Methods of Transportation: \_\_\_\_\_

Food Item: \_\_\_\_\_

Place (s) of Production: \_\_\_\_\_

Methods of Transportation: \_\_\_\_\_

Food Item: \_\_\_\_\_

Place (s) of Production: \_\_\_\_\_

Methods of Transportation: \_\_\_\_\_

Food Item: \_\_\_\_\_

Place (s) of Production: \_\_\_\_\_

Methods of Transportation: \_\_\_\_\_

**What do you think ?**

How does transportation cost affect the price you pay for goods in the grocery store?

What parts of my dinner are people in other countries consuming?

# Complements~



## A Real Package Deal!

In economic terms, complements are products that are usually sold and used together -- they complement each other. For example, ketchup and mustard are complements. What products do you usually buy with your hamburger at McDonald's? These items are complements.

Corporations oftentimes sell products that complement each other. For instance, did you know that Pepsi also owns Pizza Hut, Burger King, and Taco Bell? Pepsi-Cola saves money by supplying their own soda in their restaurants. The restaurants also serve as consumers and advertisers for their products. What a package deal! What other benefits do corporations of this type have over their smaller competitors? \_\_\_\_\_

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### Make your own complementary corporation!

In your groups of three or four, decide what businesses you would like to own to make the most money for your corporation. Give your corporation a name and be prepared to share your economic rationale with the class! You will need to list the advantages and disadvantages your corporation provides you (the owners) and the consumers that it serves.

**\$ Watch out for \$\$**

## **\$ Changing Prices \$**

Read the following situations and explain the changes in prices the way an economist would by analyzing the market.

JC Penny's sells bathing suits for \$40.00 each during the summer. At the end of summer, suits cost only \$19.99.  
What happened to the price of the suits? \_\_\_\_\_  
How did demand change to produce this effect on the market price? \_\_\_\_\_

Jenny and Jeff opened a juice stand in front of their house. They sold each glass of juice for \$.30. The next week, their neighbors opened a juice stand across the street for \$.20 a glass. Jenny and Jeff lowered the price of their juice to \$.15 a glass. However, they still experienced a loss of sales.  
What happened to the price of Jenny and Jeff's juice? \_\_\_\_\_  
What entered the market to produce this effect? \_\_\_\_\_  
If the economy was bad, and Jenny and Jeff were the only juice sellers, would they experience a loss of sales? \_\_\_\_\_ Why? \_\_\_\_\_

Farmer Dave usually gets \$3.00 for a dozen ears of corn. However, this year all of the area farmers had an extremely good harvest. Dave is fearful he will not earn as much money this summer.  
What will happen to the price of Dave's corn? \_\_\_\_\_  
What will happen to the prices of the other farmers' corn? \_\_\_\_\_  
What has happened to the market to produce this effect? \_\_\_\_\_

# Interactive Bulletin Board



## Dining Out

- Ask students to bring in menus from various restaurants and hang them on the bulletin board.
- Lead the students in a discussion to determine which restaurant gives its customers more for their money. Ask them to consider the following:
  - nutritional value, price, if sides are included or are extra, tip, cleanliness, atmosphere, type of food served, discounts for take-out, etc.
- Allow them to "dine out" at the restaurant of their choice and calculate their bill.
- Ask students to survey 20 people as to which restaurant they visit the most and the approximate amount they spend. Students should also ask those surveyed to describe a desired type of restaurant not currently available. Create a chart on the board to graph their findings about the current consumption and demands of the market.
- Lead students in a discussion of restaurants' fixed and variable costs, prices, and profits. Ask students to estimate which restaurants earn the greatest profits.
- Allow students to create their own restaurant by designing a menu they feel would be competitive in this market.

Name of Restaurant: \_\_\_\_\_

Items ordered

Amount

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. On the right side of the page, there is a vertical margin line, creating a narrow column on the far right. This format is typical for notebook paper or a template for writing practice.

Tax

**Tip**

Total

Thank You! Please come see us again!



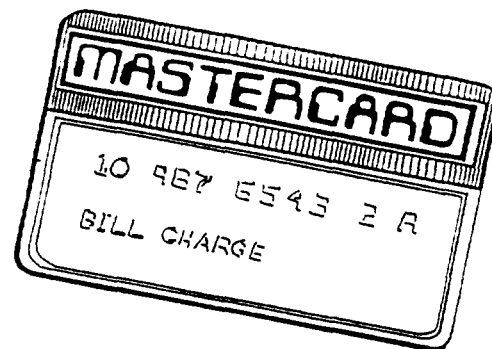
The page features several decorative oval shapes with a stippled or textured fill. One large oval is at the top center. Below it, to the left, is a smaller oval. To the right of the title is another small oval. Below the title, centered, is a larger oval. These shapes appear to be part of a graphic design for the worksheet.

## Serve it Up!

Now it's time to serve up your own dishes! Create your own menu for your new restaurant! Give your restaurant a name and design your menu any way you'd like. The menus posted on the bulletin board can give you ideas of how to format the menu for your restaurant. Remember to analyze the market by using the information charted on the bulletin board before you create your menu. Before designing your menu, consider the following questions:

- 1) Which restaurant is currently the most popular? Is demand strong enough to support an additional restaurant of this type?
- 2) Which restaurant is least popular? Could your menu improve this type of restaurant and create a demand for it?
- 3) What are the price ranges of the restaurants most visited?
- 4) Which type of restaurant would be most profitable? Consider fixed and variable operation costs (wages of help needed, utilities, upkeep, cost of food inputs, etc.), number of visits made by customers, menu prices, etc.
- 5) Is there currently a restaurant demanded that has not been supplied by the market? How would you fill this demand? What type of food, atmosphere, price range would you market?
- 6) Could your menu create a demand for a new type of restaurant?

## Credit Cards - The Creep-up Crud?



Many people use credit cards to buy lunches at Burger King, put gasoline in their cars, order items through catalogues, and purchase clothing from department stores. Credit cards can even be used to purchase a car! Credit cards allow you, the consumer, to purchase many goods and services without having to pay for them until the end of the month when the credit card bill comes in the mail.

What's in it for the credit card company? They make money from you by taking a percentage (sometimes almost 20%!) of the total amount of the bill and requiring you to pay this on top of the amount of money you spent on the goods and services you purchased earlier.

Credit cards are convenient and make buying goods and services very easy. They could be helpful in emergency situations. However, they are not a free service.

List two advantages of using credit cards: \_\_\_\_\_  
\_\_\_\_\_

List two disadvantages of using credit cards: \_\_\_\_\_  
\_\_\_\_\_

### Your Turn

Design a credit card application form. Be sure to ask for all the information you would want if you owned the credit card company.

# *Credit - Buy Now and Pay More Later*

Suppose you wanted to buy a stereo that costs \$150.00. You do not have enough money saved to buy it, but you want to buy it now. So, you decide to borrow the money, get your stereo tomorrow, and pay for it later. Which finance plan below is the best deal for you?

## In-store Financing

Downpayment = \$25.00

\$11.45 - Monthly Payments for 1 Year

## Local Credit Union

Downpayment = \$10.00

\$13.06 - Monthly Payments for 1 Year

## Local Bank

\$6.10 - Monthly Payments for 2 1/2 Years

## Credit Card

\$9.84 - Monthly Payments for 1 1/2 Yrs

Cost Chart	Monthly Payments	# of Payments	Down Payment	Total Cost
In-store Financing	\$ _____ *	_____	+ _____	= _____
Credit Union	\$ _____ *	_____	+ _____	= _____
Local Bank	\$ _____ *	_____	+ _____	= _____
Credit Card	\$ _____ *	_____	+ _____	= _____

Which finance plan will cost you the least amount of money? \_\_\_\_\_  
 The most? \_\_\_\_\_ Would you choose to buy on credit? \_\_\_\_\_  
 Why? \_\_\_\_\_

# Farmers' Feelings

How does the farmer feel about credit?

-----

How do you know? -----

-----

According to the song, who gets the most money? -----

Who do you think makes the most money  
in farm production today: farmers?  
middle men? grocery stores? other?

-----

Why do you feel as you do?-----

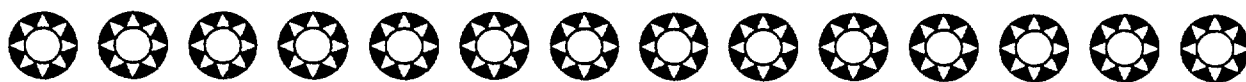
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Do you feel this song could be popular with  
some farmers today? Why or why not?

-----

-----

-----



# The Farmer Is the Man

A popular song with the midwestern farmers of the 1880s.

F

When the farm-er comes to town With his  
When the law- yer hangs a- round While the

Bb C7

wag-on bro-ken down, Oh, the farm-er is the man who feeds them  
butch-er cuts a pound, Oh, the farm-er is the man who feeds them

F

all. If you'll on- ly look and see, I  
all. And the preach-er and the cook Go a-

Bb C7

think you will a- gree That the farm-er is the man who feeds them  
stroll- ing by the brook, Oh, the farm-er is the man who feeds them



Refrain

F F C7 F C7

all. The farm-er is the man, The farm-er is the man,

F Dm G7 C7 F

lives on cred-it till the fall; Then they take him by the hand, And they  
With the int'-rest rate so high, It's a

Dm Bb C7 F

lead him from the land, And the mid-dle man's the one who gets it all.  
wonder he don't die, For the mort-gage man's the one who gets it all.

When the banker says he's broke  
And the merchant's up in smoke,  
They forget that it's the farmer  
feeds them all.  
It would put them to the test  
If the farmer took a rest,  
Then they'd know that it's  
the farmer feeds them all.

Oh, The farmer is the man,  
The farmer is the man,  
Lives on credit till the fall.  
And his pants are wearing thin,  
His condition it's a sin,  
He's forgot that he's the man  
who feeds them all.



# A Taxing Situation!

by Terry Godfrey-Healy

Every April 15 millions of Americans moan and groan as the government demands payment of taxes. As Benjamin Franklin paraphrased, "The only sure thing about life is death and taxes." Read further and learn more about taxes.

## Tax History

Taxes have been part of people's lives from the earliest recorded times. Records of tax payments have been found from as early as 1900 B.C. in Mesopotamia. King Solomon in the Old Testament established tax districts that were based on the geography of the tribes of Israel. Ancient Egypt also expected part of each harvest to be paid to the pharaoh and priests, a form of taxes. The Romans utilized poll and inheritance taxes while expecting tribute to be paid by all conquered provinces.

Taxes throughout history were used to support the services that were needed by the people, such as armies for defense, building of roads or maintenance of services. England as well as much of Medieval Europe collected land rents, or scutage, to be paid to overlords for protection and government.

Common taxes found until the late 1700's included poll taxes, window taxes, special excise taxes, tariffs, fees and licenses. Money was not the only way of paying a tax bill. Taxes might be paid in goods such as oil, sheep or wine, as well as in service such as six months in the army serving the king. Many changes have occurred in taxation throughout history.

Taxes have been at the root of many historical events. Famous tax rebellions in American history range from the Boston Tea Party to Shay's Rebellion and Proposition Thirteen in California. Taxation was a major cause for the writing of the Magna Carta and the Declaration of Independence. Taxes have been a powerful issue in politics for centuries.

As government needs and services have increased, so has the size of taxes. To finance the Civil War, the United States government began taxing income. Federal income tax became a permanent tax in 1913 with the passage of the Sixteenth Amendment. Today the average individual spends approximately one fourth to one third of his/her working year in order to pay his/her share of the tax bill. Locally, and at the state and federal levels individuals are deciding how much the population should be taxed and in what manner. Questions will continue to arise concerning the appropriate number of services and taxes needed for the well-being of the country.



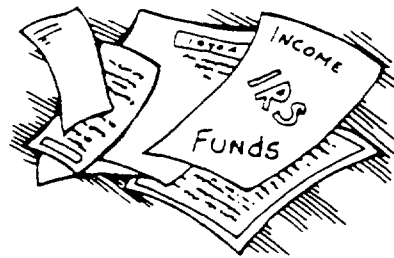
## TAX DEFINITIONS

Look up each of the following terms in reference sources and write the definitions in the first column. You may next want to conduct a survey of adults who pay taxes to see if they understand what they mean. Write these definitions in the second column. Compare the two answers.

Term	Reference Definition	Common Definition
1. Excise		
2. Tariff		
3. Import		
4. Export		
5. Income		
6. Social security tax		
7. Withholding tax		
8. Balanced budget		
9. Tax evasion		
10. Quarterly earnings		
11. Tax shelter		
12. Census		
13. Dependent		
14. Deduction		



# Tax Trivia

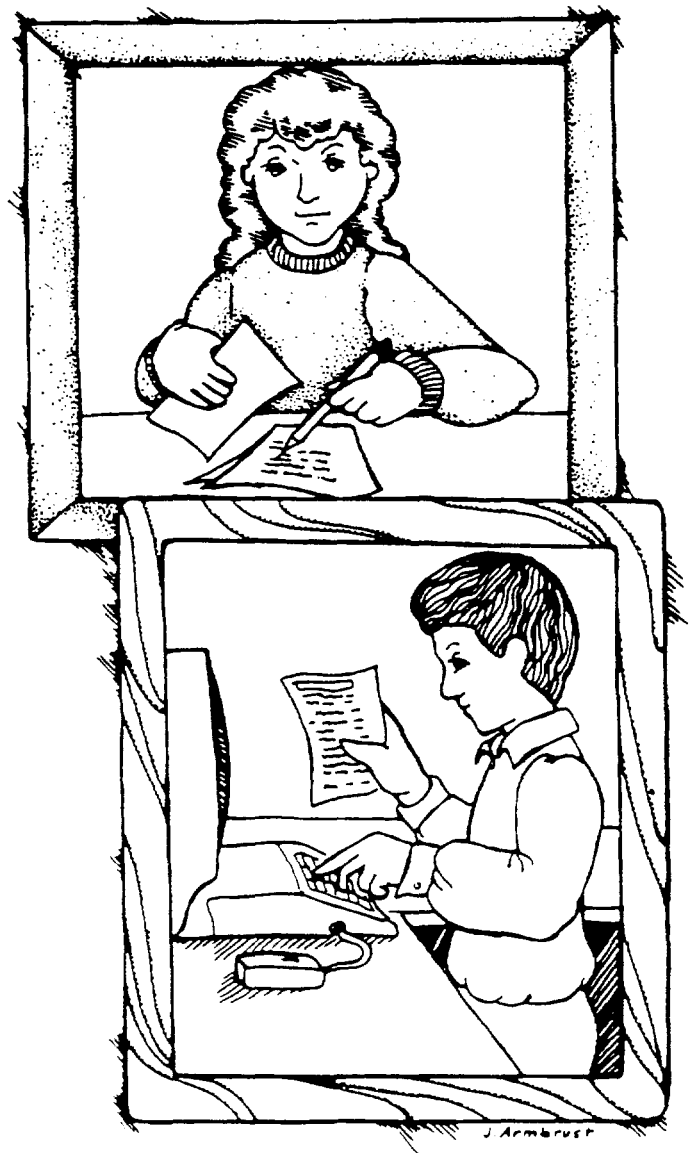


1. What was the tax paid by Medieval nobles in place of their volunteering to fight for their king?
2. England taxed what parts of a home in the Victorian period?
  - a. Windows and hearths
  - b. Doors and sculleries
  - c. Roofs and basements
3. During the colonial period the powder for men and women's hair was taxed. (True or False)
4. What guaranteed barons the rights to taxation with representation in England in 1215?
5. Which of the following is a purpose for a tax?
  - a. Pay for government services
  - b. Regulate the economy
  - c. Protect domestic manufacturing
  - d. All of the above
  - e. None of the above
6. Who wrote *The Wealth of Nations*, a still widely accepted guide for taxation and its purposes, in 1776?
7. On the average, how many returns out of 100 are audited by the Internal Revenue Service (IRS)?
8. Where does a taxpayer appeal a decision by the IRS after the IRS Appellate Court?
9. What kind of English must tax instructions be written in according to the "Taxpayers Bill of Rights"?
  - a. Pidgeon
  - b. High
  - c. Technical
  - d. Plain
10. In 1820 what did Missouri charge for every unmarried free white bachelor over 21 and under 50 in a household?
11. To what kind of tax did the Sixteenth Amendment refer?
  - a. Sales tax
  - b. Tariffs on tobacco
  - c. Excise tax on liquor
  - d. Federal income tax
12. In what year did the Boston Tea Party take place, protesting the tea tax?
13. What percent of government funds are acquired through taxes?
  - a. 20
  - b. 35
  - c. 65
  - d. 85
14. According to general rules of taxation, is it better to have one main source of tax revenues or several?
15. Section 8 of the United States Constitution allows the government what right?
16. The first United States federal income tax came in what year?
17. What is the main source of tax revenue for nations in Latin America?
  - a. Sales tax
  - b. Tariffs
  - c. Income tax
18. What did the American colonists believe taxation without representation was?
  - a. Fair and appropriate
  - b. Important to America's development
  - c. Tyranny
19. Which came first, permanent federal income tax or corporation taxes?
20. The first federal excise tax in 1791 was on
  - a. Firearms
  - b. Cigarettes and tobacco
  - c. Spirits or alcohol



## REPRODUCIBLE PAGE

21. What did the colony of Virginia receive as tax every time someone died and the will was probated?
22. In 1634, the colony of Massachusetts passed a tax on a person's land. This was called \_\_\_\_\_ tax.
  - a. Sales
  - b. Excise
  - c. Property
  - d. Income
23. Do married couples in the United States have the choice to file their taxes jointly or individually?
24. Which state in the United States does not have an inheritance or estate tax?
25. In England, who pays the property tax for a rented apartment, the tenant or the owner?
26. The Twenty-fourth Amendment passed in 1964 made illegal any taxes on what right?
27. What famous American quoted, "Nothing is certain in life but death and taxes"?
28. Serfs paid a tithe to the overlord in the form of land rent. What percent is a tithe usually defined as?
29. The English Bill of Rights guaranteeing representation for tax levy was in \_\_\_\_\_ A.D.?
30. Who said, "Taxes are what we pay for civilized society"?
31. When did the United States Government institute withholding income tax from people's paychecks (i.e. withholding tax)?
32. Did gangster, Al Capone, go to jail for killing over 100 people or for not filing a tax return for five years?
33. What was the highest percentage of tax paid? It was paid by Hilmer Riksten in Norway.
34. Whose estate paid more than 336 million dollars or over 70 percent of the estate?
35. How much income tax do the people pay in Bahrain and Qatar?
36. How many windows were you allowed to have in an English home from 1696 to 1851 before having to pay taxes on them?
37. Gabell tax in 18th century France was on what product? The gabell tax was believed to be one cause of the French Revolution.
38. The Stamp Act in 1765 taxed
  - a. Letters
  - b. Legal documents
  - c. Dancing
39. After 1991 what percent of personal interest such as what is paid on credit cards, is deductible?



# TAX TRIVIA

1. scutage
2. a
3. true
4. Magna Carta
5. d
6. Adam Smith
7. 2
8. United States tax court
9. d
10. \$1.00 per person
11. d
12. 1773
13. d
14. several
15. to lay and collect taxes
16. 1861
17. b
18. c
19. corporation taxes in 1909
20. c
21. a cask and 200 pounds of tobacco
22. c
23. yes
24. Nevada
25. tenant
26. the right to vote
27. Ben Franklin
28. 10 percent
29. 1689
30. Oliver Wendell Holmes, Jr.
31. 1942
32. not filing a tax return for 5 years
33. 491 percent
34. Howard Hughes'
35. 0 percent
36. 10
37. salt
38. b
39. 0 percent



# Tax Time!

Around April 15, you hear a lot of talk about taxes. Now, here is a chance for you to do something about taxes! Follow these three steps toward an imaginary tax system of your own.

1. Think of a plan that could be implemented in your classroom to collect tax money. Will everyone pay the same "flat" tax or will some students pay more than others? What factors will determine your tax rates? Try to figure out approximately how much money will be collected.
2. Decide how the tax money will be spent. Prioritize the items on your list. Figure out approximately how much each item or service will cost. Go back to your plan in #1 and try to make expected income match expected expenses.
3. Design a brochure to sell your tax plan to your classmates. Explain how the taxes will be assessed and spent. Try to gather support for your ideas through an appealing presentation.



Name \_\_\_\_\_

## DISCUSSION STARTER: YOUR VIEWS ON ADVERTISING

The statements below are intended to give you a chance to express your position on these advertising issues of concern to consumers. Mark the continuum line to identify where you stand between the alternate extremes. There is no one right point on the continuum line, but be prepared to clarify where and why you took your position.

1. The advertising of cigarettes and other health-suspect products should be banned from the public media.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------

2. Advertising too often substitutes the image of a product for pertinent facts about it.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------

3. Advertising creates a condition of competition on the basis of promotion rather than product quality.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------

4. Education, particularly consumer education, is no match for advertising in influencing the minds of children.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------

5. The use of advertising in our economy usually insures lower prices for consumer products.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------

6. Products should carry an "information tag" that would give information on performance, materials, care, and characteristics.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------

7. Advertising standards and integrity of advertisers in general is commendable.

\_\_\_\_\_

Agree	Agree with Reservations	Disagree
-------	-------------------------	----------